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FINANCIAL TIMES

Weekend FT
Section 2

The surgeon's dilemma
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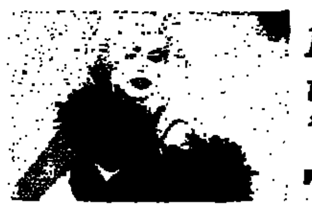

Fifties style with a '90s sheen
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World Business Newspaper WEEKEND JANUARY 28/JANUARY 29 1995 D8523A

Lockheed pays $24.8m fine after admitting bribery

Lockheed of the US agreed to pay $24.8m in fines after admitting to an Atlanta court that it bribed an Egyptian offical to arrange the sale of three transport aircraft in 1989. The fine is the highest paid under the US's 1977 Foreign Corrupt Practices Act.

Time Warner enlarged its US cable TV empire with an agreement to buy the cable business of Texas electrical utility Houston Industries in a deal worth $2.2bn . Page 9

Burmese troops sack Karen HQ: Burmese troops entered and destroyed the headquarters of the rebel Karen National Union at Manerplaw. The KNU is the strongest ethnic group still fighting for autonomy from Rangoon. Page 3

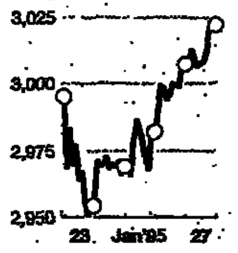
Metallgesellschaft of Germany resumed its battle with former chairman Heinz Schimmelbusch after an auditors' report criticised his conduct over US oil trading losses which nearly bankrupted the industrial and trading company. Page 9

Kingfisher chief demoted: Kingfisher, which owns the UK Woolworths and Comet retail store chains, has demoted executive chairman Sir Geoffrey Mulcahy to chief executive and is seeking a non-executive chairman. Page 20 and Lex

Croats back UN pull-out: Croatia's parliament backed president Franjo Tudjman's decision to cancel the UN peacekeeping mandate in Croatia after the end of March.

FT-SE 100 Index

Hourly movements



Source: Reuter

London stocks: Shares made further advances after a slow start on the London stock market as investors took a favourable view of the latest US economic figures. The FT-SE 100 index rose by 14.9 points on the day to close at 3,022.2, bringing the gain over the week to 0.9 per cent or 27.1 points. Page 17; Weekend Investor, Page XX

IRA bomber jailed: Irish Republican Army bomber Sean Kelly, 21, was given nine life sentences by a Belfast court for blowing up a city fish shop, killing nine people.

Israelis storm Islamic college: Israeli troops searched a West Bank technology college, arresting students and ransacking dormitories in the latest action against suspected militants since last Sunday's suicide bombing.

Power sell-off prospectus delayed: The UK government postponed publication of the pathfinder prospectus for its 40 per cent stake in National Power and PowerGen. Originally planned for January 30, publication has been delayed until February 6, but the sell-off timetable is unchanged. Page 4

Schneider chief 'cleared': An audit of companies at the centre of a Belgian fraud investigation has rejected allegations of corruption against Didier Pineau-Valencienne, chairman of French electrical engineering group Schneider. Page 2

N-power station to go on stream: Britain's £2.3bn ($3.66bn) Sizewell B nuclear reactor, which has been under construction since 1988, is due to start up next week, Nuclear Electric said. It is expected to start contributing to the national electricity grid next month.

Sierra Leone warning: A Roman Catholic welfare agency appealed to rebels in northern Sierra Leone to free seven foreign nuns missing they are holding. Meanwhile the British High Commission advised Britons to leave unless they had pressing need to stay.

Kiev launches exchange: Ukraine launched its first agricultural commodities exchange. The government organised the exchange as an alternative source of financing for agriculture. Shareholders shy, Page 2

Passengers switch to ferry: Channel Tunnel car passengers had to be taken from England to France by ferry after two shuttle trains broke down.

Fact-finders reach Chechnya: A European fact-finding mission arrived to monitor the war in Chechnya but Sergei Kovalev, Russia's leading human rights campaigner, was barred at the last minute from accompanying it. Page 2

China warned on intellectual property: Sir Michael Perry, chairman of Anglo-Dutch consumer goods group Unilever, warned China its failure to respond adequately on intellectual property rights and trade disputes was raising western companies' concerns about the risks of investing there. Page 3

Companies in this issue

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Property crash leaves lender $2.8bn in red

Sumitomo to post first Japanese bank loss for 50 years

By Gerard Baker in Tokyo

Sumitomo Bank, the world's largest bank, announced yesterday that it will post a Y280bn ($2.8bn) pre-tax loss for the year to March 1995, the first recorded by a leading Japanese bank since the second world war.

The loss is due to a sharp increase from Y500bn to Y800bn in provisions for loans which went bad when Japanese property and equity markets plunged in the early 1990s.

Sumitomo's action marks the most aggressive attempt by any Japanese lender to deal with the large non-performing assets. Other banks are expected to follow suit in writing off loans accumulated after they lent to property and investment companies during the Japanese financial boom of the 1980s.

Sumitomo's decision reflects a change of policy at the Ministry of Finance, which regulates banks. Until recently the ministry had been opposed to banks' writing off loans to report losses, for fear of damaging confidence in the fragile banking system. But last year the ministry said that it regarded the financial sector as strong enough to withstand such a shock.

"This marks the dawning of a new age in Japanese financial history," said Mr Mark Faulkner, banking analyst at SG Warburg in Tokyo. "Sumitomo is sending out a message to the financial community that it has decided to take the hit of an unprecedented loss now to put its bad debt problems behind it."

Sumitomo said the surprise move reflected a decision to solve its asset quality problem as quickly as possible, and set itself on a path to full financial recovery. As late as November, the bank forecast a Y60bn profit for the year, compared with the Y280bn pre-tax loss now predicted. After tax, the deficit is also expected to be Y280bn.

World stocks .... Page 15

Write-offs cut profits sharply – Sumitomo's pre-tax profits fell from Y416bn in 1989 to Y73bn last year, but until yesterday no bank had been prepared to declare a loss.

Sumitomo was particularly hard hit by loans made to the scandal-tainted textile trader Itoman Corporation, which was eventually taken over by an affiliate of the Sumitomo group of companies. Mr Yoshifumi Nishikawa, the bank's senior managing director, said yesterday the write-offs this year were intended to cover some Itoman-related loans.

The write-offs will reduce Sumitomo's outstanding non-performing loans from Y1,196bn at the end of September to Y900bn at the end of March this year, which will give it one of the lowest ratios of disclosed problem loans to total loans of any Japanese bank – less than 3 per cent.

The bank's risk-based capital adequacy ratio, its capital as a proportion of risk-weighted total assets, dropped to 8.6 per cent from 9.7 per cent at the end of September, close to the minimum recommended by the Bank for International Settlements, the international regulatory body.

Japan's 21 leading banks last March disclosed non-performing loans totalling Y13.6bn and have significant undisclosed bad debts. Japanese banks' declared bad loans, unlike other countries', include only loans to bankrupt companies and those on which no interest has been paid for six months. They do not include restructured loans, where interest rates have been cut to keep a borrower afloat.

Cantona's kick wins few words of praise

By Simon Kuper

"In his own way, Cantona has avenged if not Joan of Arc, at least the national honour," said the French daily Le Soir yesterday.

It was among the few words of praise for Eric Cantona, the French footballer suspended by his club Manchester United until the end of the season and fined an estimated £20,000.

On Wednesday night, during a game against Crystal Palace, he jumped into the stands, lunging with both feet at a spectator hurling abuse at him. Cantona had just been sent off for aiming a kick at a Palace defender.

The British press proclaimed shock at Cantona's action (although The Guardian ran an editorial calling for understanding). But the French had seen it all before. Cantona, who until the incident was captain of France, emigrated to England in 1991 after countless conflicts. At Auxerre he gave his own goalkeeper a black eye, while at Nimes he threw a ball at a referee's head.

The French newspaper, France Soir, enjoyed Cantona's lunge chiefly because it made fools of the English, who loved the player yet laughed at the French for eating frogs legs. One writer exhorted the English ("who have tormented us for so long"):

Continued on Page 20

Securities package may threaten $3bn Mexico credit line

By Stephen Fidler, Latin America Editor

Some international commercial banks are balking over joining a $3bn credit line for Mexico because they claim more favourable terms are proposed for a separate $1.5bn financing being arranged for investment banks.

In a further sign of concern over Mexico's financial plight, Argentina, Brazil and Colombia are preparing a $1bn financial aid package for Mexico. The Brazilian ambassador to the US, Mr Paulo Tarso Flecha de Lima, said details were being discussed and the package "will be announced soon".

The $3bn commercial bank credit is part of an $18bn exchange rate stabilisation fund, from governments and banks, to help Mexico overcome its financial crisis.

The $1.5bn financing, being arranged by securities firms including Merrill Lynch and described as a syndicated repurchase agreement, will oblige members to buy at weekly auctions specified amounts of the dollar-linked government securities, *tesobonos*, at the centre of the crisis.

But some commercial bankers believe this financing – which gives securities firms title over the securities and access to collateral containing cash and bonds in case of default – provides better security than the deal they are being asked to join. "We want a more market-based facility and not to be dragged in on the tail-end of a subsidised government deal," said one commercial banker.

While commitments of close to $3bn have been received by Citibank and J.P. Morgan, the US banks which are arranging the credit, some are said to be conditional on other private Mexican creditors not receiving better terms. The $3bn credit would be the last part of the exchange rate stabilisation fund to be drawn, and, if drawn, banks would be repaid proportionately with the governments.

The investment bank facility obliges participating institutions to take 20 per cent of the initial *tesobono* auction – and thereafter a minimum of 10 per cent and a maximum of 5 per cent. Both financings will be available for a year.

Mexico's financial markets reacted unenthusiastically to Thursday's announcement of a Mexican agreement with the International Monetary Fund over a $7.76bn standby credit.

At midsession, the stock market was down 1.9 per cent on very low volume. The peso was slightly stronger, but off the day's best levels, 5.705 to the dollar compared with 5.745 on Thursday.

Doubts persist over Mexico, Page 3

Reassurance: Zhu Rongji, China's senior vice premier, addresses the World Economic Forum in Davos yesterday. His message was that a change in the country's political leadership would not weaken its commitment to continued economic reform. Report, Page 3

Picture Reuter

US rate rise expected as growth quickens to 4.5%

By Michael Prowse in Washington

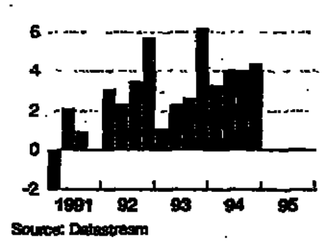
An early increase in US short-term interest rates to 6 per cent or higher was widely expected on Wall Street yesterday after official figures showed that US economic growth accelerated to an annualised rate of 4.5 per cent in the final quarter of last year. This is well above the rate seen as compatible with low inflation.

Real growth for the year as a whole was 4 per cent, the fastest in a decade.

Growth late last year was fuelled by a surge in consumer and business spending on durable goods, such as cars and computers, that are sensitive to interest rate levels. Consumer spending on durables grew at an annualised rate of 18.4 per cent from the third quarter while corporate spending on equipment rose at an annualised rate of 20.2 per cent.

US real GDP

Annualised quarterly % change



Source: Datastream

Although few economists expect spending on durables to continue growing at this pace, the Federal Reserve is widely expected to lift short-term interest rates by half a point to 6 per cent following a meeting of its policy-making open market committee on Tuesday and Wednesday.

This would represent a doubling of rates since early last year when the key Federal funds rate – the cost of overnight funds for banks – stood at a low of 3 per cent. It would prompt an increase in bank prime lending rates to 9 per cent, raising the cost of a wide range of consumer and business loans and reducing demand for durable goods and housing.

The Fed could opt for a more aggressive increase in the Fed funds rate of three-quarters of a point, as it did in November when it last tightened monetary policy. But the consensus is that the Fed will move gingerly given the jittery mood in global financial markets following the Mexican crisis and the Japanese earthquake. There is also a growing perception that US growth will ease this year.

Mr Alan Greenspan, the Fed chairman, may also want to avoid charges of monetary "overkill". He told Congress this week

Continued on Page 20

Clinton tries to slow Republican drive on budget, Page 3

STOCK MARKET INDICES

FT-SE 100:	3,022.2	(+14.9)
Yield	4.28	
FT-SE Eurotrack 100	1,307.52	(-0.58)
FT-SE-A All-Share	1,494.34	(+0.4%)
Nikkei	18,104.36	(+33.51)
New York: lunchtime		
Dow Jones Ind Ave	3,849.58	(-20.86)
S&P Composite	468.75	(+0.43)

■ LONDON MONEY

3-mo Interbank	6$\frac{21}{32}$%	(6$\frac{21}{32}$%)
Liffe long gilt fut:	Mar 101$\frac{11}{16}$	(Mar101$\frac{9}{32}$)

■ US LUNCHTIME RATES

Federal Funds:	5$\frac{9}{16}$%
3-m Treas Bills: Yld	5.904%
Long Bond	96$\frac{5}{8}$
Yield	7.786%

■ NORTH SEA OIL (Argus)

Brent 15-day (Mar)	$16.43	(16.66)

■ GOLD

New York Comex(Feb)	$n/a	(381.7)
London	$378.35	(381.0)

■ STERLING

New York lunchtime:		
$	1.5895	
London:		
$	1.592	(1.5918)
DM	2.4069	(2.4111)
FFr	8.3554	(8.3405)
SFr	2.0239	(2.0293)
Y	157.762	(158.185)
£ Index	80.0	(80.1)

■ DOLLAR

New York lunchtime:		
DM	1.51625	
FFr	5.2585	
SFr	1.2765	
Y	99.275	
London:		
DM	1.5119	(1.5147)
FFr	5.2485	(5.2397)
SFr	1.2713	(1.2749)
Y	99.10	(99.375)
$ Index	62.4	(same)
Tokyo close Y 99.35		

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Austria Sch35; Bahrain Din1.250; Bermuda $2.00; Belgium BFr70; Canada C$1.75; China RMB26.50; Cyprus C£1.10; Czech Rep CZK55; Denmark DKr17.00; Egypt E£5.00; Estonia EKr 20.00; Finland Fmk15; France FFr10.50; Germany DM3.80; Greece Dr400; Hong Kong HK$18; Hungary Ft185; Iceland IKR220; India Rup75; Indonesia Rp4,050; Israel NS7.90; Italy L3000; Japan Y500; Jordan JD1.50; Korea Won 3000; Kuwait Fils.625; Lebanon $US1.50; Luxembourg LFr70; Malaysia Rin4.60; Malta Lm0.60; Morocco Dh16.00; Nigeria Naira90.00; Netherlands Fl4.25; Norway Nkr18.00; Oman OR1.60; Pakistan Rs40; Philippines Peso 50; Poland Zl 42,000; Portugal (m'land) Esc230; Qatar QR13.00; S.Arabia Rls11.00; Singapore S$4.30; Slovak Rep KSL60; South Africa R12.00; Spain Pts225; Sri Lanka Rup30; Sweden SKr17.00; Switzerland SFr3.60; Taiwan NT$85; Thailand Bht50; Tunisia Din1.500; Turkey L40,000; UAE Dh12.00; USA $1.50

No 32,586 Week No 4 LONDON · PARIS · FRANKFURT · STOCKHOLM · NEW YORK · TOKYO

EU must end 'rudderless' foreign policy

By Lionel Barber in Brussels

The European Union should introduce more centralised foreign policy machinery so it can tackle the increasing menace of ethnic nationalism, militant Islamic fundamentalism and organised crime, according to a report* for the European Commission.

The report's authors, led by Mr Jean Durieux, a former top Commission official, conclude that the common security and foreign policy – one of the most important innovations of the Maastricht treaty – is "fragmented" and "rudderless".

The Commission has so far declined to endorse the report's conclusions, but they look like the first shots in a campaign by Brussels to strengthen the common foreign and security policy (CSFP) at the 1996 intergovernmental conference to review Maastricht.

A senior Commission official underscored this impression yesterday, citing France's go-it-alone approach to Rwanda, the Greek trade embargo against Macedonia, and the so-called contact group on Bosnia which includes France, the UK, Germany, the US, and Russia.

The report, published yesterday, makes several recommendations likely to provoke concern among governments loath to cede sovereignty in foreign policy such as the British and French, and among traditionally neutral states such as Austria, Finland, and Sweden:

- The end of the requirement of unanimity in decision-making, except for military interventions. Qualified majority voting should be used in all other cases, including the principle of dispatching a European intervention force.
- The appointment of a politician to take responsibility for the CSFP with the same authority, independence and tenure as the President of the European Commission.
- A new clause in the Maastricht treaty stipulating as a common goal creation of a EU intervention force with common command structures, intelligence and logistics.
- An agreement among the 15-member Union, in consultation with the US, on progress toward a collective defence capability, involving a "strong link" between Nato and the Western European Union, the EU's fledgling defence arm.
- The creation of a common Union budget for CSFP.

The report roundly criticises Europe's response to the conflict in former Yugoslavia and Bosnia. But many diplomats believe Bosnia is not a fair test. One senior Commission official said it was "pie in the sky" to believe the EU could have invoked a qualified majority vote in favour of military action in Bosnia in 1991-2. "Can you imagine outvoting Britain, which had just sent soldiers to the Gulf war?" he said.

* *European security policy in the run-up to 2000 – Ways and means of achieving real credibility. The European Commission, Brussels.*

Russia's rights monitor denied Chechen trip

By Chrystia Freeland in Moscow

A European fact-finding mission yesterday arrived in the Caucasus to monitor the war in Chechnya, but at the last minute, Russia's leading human rights campaigner was not allowed to accompany them.

In permitting the delegation from the Organisation for Security and Co-operation in Europe to visit the North Caucasus amid continued fighting in Chechnya, the Kremlin was already walking a fine diplomatic line – it is the first time Russia has allowed an international organisation to play a role in what it regards as an internal matter. But the 11th hour decision to prevent Mr Sergei Kovalev, Russia's official human rights commissioner and the country's leading opponent of the war, from accompanying the OCSE team underscores Russia's current difficulties in finding a balance between its military and diplomatic interests in the breakaway republic.

Moscow dispatched Mr Anatoly Chubais, a deputy prime minister and one of the few reformers left in the cabinet, to the annual meeting of the World Economic Forum in Davos, where he yesterday sought to reassure the west that Russian economic reforms were on course despite the war.

Mr Kovalev's outspoken criticism of the Chechen war has won him widespread respect at home and abroad, and the OCSE team had asked for, and received, permission to include him in its mission.

However, the decision could not have been welcomed by Gen Pavel Grachev, the minister of defence, whose guards turned Mr Kovalev back.

In a vituperative attack earlier this month, Gen Grachev described Mr Kovalev as "a vile serpent" and "an enemy of the people".

■ Russian President Boris Yeltsin relieved Deputy Prime Minister Nikolai Yegorov, a top figure co-ordinating the Chechnya campaign, from his duties on health grounds, and replaced him with Mr Nikolai Semyonov, the official Itar-Tass news agency said yesterday, Reuter reports from Moscow.

Top companies unveil plan on superhighway

By Lionel Barber in Brussels

Leading information technoology manufacturers from Europe, Japan and the US yesterday unveiled a joint action plan for accelerating the creation of a global information superhighway.

The tripartite alliance among the world's leading manufacturers, including IBM, Hitachi, and Olivetti, hopes its plan will shape the agenda of the Group of Seven industrialised nations' conference on the new superhighways in Brussels on February 26-27.

The G7 ministers' conference is expected to be a showcase for private industry's new products and the emerging global telecommunications alliances.

But it will also offer governments a chance to agree broadly on a common approach to dealing with the information technology revolution, which raises a host of questions about regulation, standards, security and trade.

Mr Marshall Phelps of IBM, who led the US Information Technology Industry Council, said: "The global information infrastructure is already happening, but we need new rules. This is a matter for the private and public sector."

The European, Japanese and US industry groups set out six principles for achieving the rapid efficient building and operation of the superhighways, following a meeting in Tokyo last September.

- Inter-operability. Mr Phelps said it was vital to develop "open interfaces" between the new technologies. Open markets, and private-sector-led voluntary standards were the best means of ensuring consumer choice, greater competition, and, hopefully, lower prices, he said.
- Privacy and security. With computer hackers becoming increasingly bold in their efforts to break into private and public information networks, it was important to develop a common defence through cryptography.
- Protection of intellectual property rights. Mr Takeo Miura of Hitachi called for full implementation of the provisions in the Uruguay Round of the General Agreement on Tariffs and Trade on intellectual property, specifically for those companies sending their material down the highways.
- Universal access. This means widespread availability of inter-operable networks offering basic information and telecoms services.
- Closer international co-operation, through guaranteed access to government-funded research and development programmes.
- Market access. The manufacturers' condemned efforts to restrict competition through tariffs, curbs on investment or a slowdown on telecoms liberalisation.

Other potential barriers to the superhighways include rules of local content.

German coalition coal talks collapse

By Judy Dempsey in Berlin

Talks between members of Germany's ruling coalition aimed at finding ways to finance the uncompetitive coal sector broke down yesterday.

The collapse of the talks - between Mr Kohl's governing Christian Democratic Union (CDU), the Christian Social Union (CSU), its Bavarian sister party, the Free Democrats (FDP) - bodes ill for the first round of crucial talks due to start early next month on seeking consensus for an integrated energy policy for the country's coal, gas and nuclear power industry. The last energy consensus talks ended without agreement in 1993 after the opposition Social Democrats pulled out.

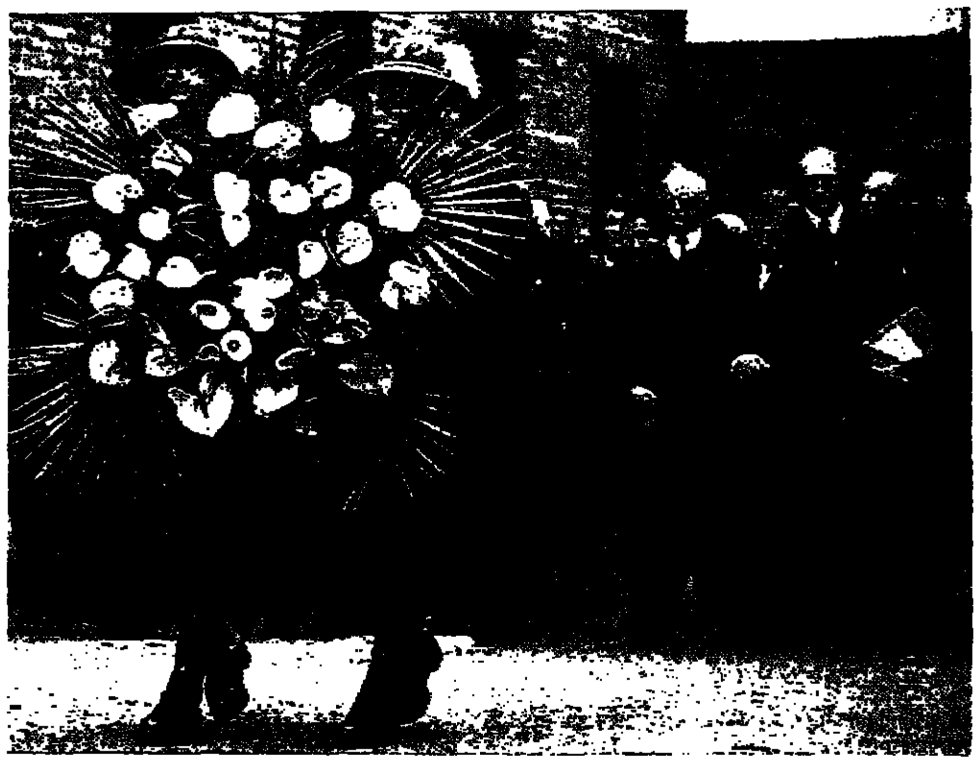
The CDU, and particularly the environmental ministry headed by Ms Angela Merkel, argued for an across the board energy tax as a means of raising DM7bn (£2.9bn) in 1996 to finance the coal sector, but also to cut energy consumption and reduce CO_2 emissions.

But Mr Günter Rexrodt, FDP economics minister, and his party remain opposed to any energy tax on the grounds that it would impose additional costs on industry. "The FDP wants coal to be financed through savings [from the budget], combined with the gradual phasing out of subsidies. "We are against any energy tax and any indirect taxation," the economics ministry said yesterday.

The CSU is also opposed to any energy tax, particularly since it would affect the nuclear power sector upon which Bavaria is dependent.

The government, however, is under pressure to try to restart the talks, on February 14, for two reasons. First, a constitutional court decision last year ruled that the Kohlepfennig, the 8.5 per cent levy imposed on electricity consumers to finance coal, was unconstitutional, and that the levy could no longer be imposed after 1995. The levy, which totals DM7.5bn a year, was designed to subsidise each tonne of German coal by DM207 in a bid to match imports which cost only DM70 a tonne.

Second, without any agreement on how to finance the coal industry, economics ministry officials yesterday said it would be virtually impossible to reach a consensus on any long term integrated energy policy which would settle once and for all the future of the politically sensitive nuclear power sector.



Death camp survivors joined statesmen yesterday to commemorate the 50th anniversary of the liberation of Auschwitz concentration camp, where some 1.5m Jews and others were exterminated by the Nazis. International delegations, including about 20 presidents and monarchs, signed a joint declaration to the peoples of the world calling for peace. In Germany, Chancellor Helmut Kohl called Auschwitz "the darkest and most terrible chapter in German history"

Shareholders shy of big Ukraine sell-off

Matthew Kaminski on a slow start to privatisation

Ukraine this week launched a "mass" privatisation of medium and large-scale enterprises in the face of public indifference and moves by parliamentarians to hamstring the process.

Zhitomir, one of the five pilot auction centres being opened, looked ready for business, with two colourful posters of children, but attracted few potential shareholders. "We're only beginning," said Mr Yuri Yehanorov, who heads the state property fund. "I appeal to all business leaders: pay attention to our rich land."

President Leonid Kuchma decreed in November that up to 8,000 medium and large enterprises should be moved off state books in 1995. In a decree in December, the president also charged the regions with completing small-scale privatisation this year.

But the government may face a challenge finding enough enterprises to sell to build up momentum. Mr Victor Lisovoy, head of large-scale privatisation, said 150 enterprises might be ready by next month. However about half the country's enterprises are leased by workers and ineligible for privatisation.

The Ukrainian parliament, which froze cash sales of companies last summer, is drawing up a list of about 5,400 enterprises in the strategic coal, steel and chemicals sectors to remain in state hands.

"As long as the parliament includes so many enterprises there's a danger that a critical mass of privatisation will not take place," said Ms Roberta Feldman, an investment officer with the International Finance Corporation, the private sector arm of the World Bank.

The voucher scheme marks a fresh attempt to accelerate the sale of state assets and generate public enthusiasm for privatisation almost three years after the former Soviet republic's first efforts floundered in the face of political opposition. Ninety per cent of all assets are still owned by the state.

Previous attempts failed because they were too complex, badly advertised and lacked presidential support. There is greater optimism now after the shift of control over privatisation from the Economics Ministry to the strengthened state property fund led by the reformist Mr Yehanorov and presidential backing.

Ukraine has adopted the Russian and Czech model in which each citizen receives a paper certificate that entitles him or her to a share in a state company. Unlike Russia, however, the certificates, with a nominal value of 53 Ukrainian coupons (£245), are not tradable, so as to allay fears that the old communist elite will dominate privatisation. Ukrainians will receive their certificates from the national savings bank later this month.

Pilot auctions for 57 companies are planned in five regions, followed by nationwide auctions in April. The bids can be made by individuals or pooled investment funds. The companies will stay on auction a month. Up to 70 per cent of a company can be sold by certificate and the rest by other means, such as hard currency tender.

For example, a Zhitomir investor interested in the Korostenskiy armoured concrete company – 742 employees, with 47.3 per cent of authorised capital for sale – can use the certificate to get a share of the company.

In the long run foreign investors will get access to Ukrainian assets through the secondary market, which the government has promised will be better regulated than in Russia. Case-by-case privatisation may continue by tender.

Despite the obstacles, the country's 369 securities firms are confident a capital market will be created. "Eight thousand companies may be unrealistic," said Mr Serhii Oksanich, president of Kinto investment and securities fund, who has waited two years for privatisation to begin. "If we do 4,000 it'll be a great victory."

Audit 'clears' Schneider chief

By John Ridding in Paris

An audit of companies at the centre of a Belgian fraud investigation has rejected allegations of corruption against Mr Didier Pineau-Valencienne, chairman of Schneider, the French electrical engineering group said yesterday.

Schneider said it hoped the audit, which it ordered from the accountancy firm Deloitte Touche Tohmatsu, would end a stand-off with the Belgian judicial authorities and enable the lifting of an international warrant for the arrest of Mr Pineau-Valencienne.

The Schneider chairman was charged last year with fraud by a Belgian magistrate investigating allegations of malpractice at Cofibel and Cofimines, two Belgian companies acquired by Schneider in 1992. Minority shareholders in the subsidiaries claimed they had been underpaid for the company's operations and the assets of the companies were undervalued.

Mr Pineau-Valencienne has been unable to leave France since last September, when Mr Jean-Claude Van Espen, the investigating magistrate, issued the international arrest warrant. The warrant followed the refusal by the Schneider chief to go to Brussels to answer questions in the case. On a previous visit to be interviewed for the investigation, Mr Pineau-Valencienne was imprisoned for almost two weeks.

According to Schneider, the report rejected the allegations Schneider benefited, at the expense of minority shareholders, from dividends and payments from offshore companies linked to Cofibel and Cofimines. The report also rejected allegations Schneider's 1992 acquisition of Cofibel and Cofimines undervalued these companies. Schneider said the report confirmed Mr Pineau-Valencienne's statement on the valuation of the offshore companies.

The audit did raise questions about the withdrawal of funds totalling FFr39m (£4.71m) from the offshore companies on the order of Mr Jean Verdoot, late chief executive of Cofibel and Cofimines. Schneider said this question is under further investigation.

The French group said it hoped for a resolution of the issue as quickly as possible, but denied reports of a deal under which Mr Pineau-Valencienne would travel to Brussels to be questioned in return for a lifting of the arrest warrant.

INTERNATIONAL NEWS DIGEST

Japanese prices rise slightly

Japanese consumer prices rose a negligible 0.7 per cent in 1994, the first time the inflation rate has remained below 1 per cent for six years, the government announced yesterday. The near stagnation of prices, a consequence of weak demand from consumers and industry, shows no sign of ending. The latest consumer price data, for Tokyo in January, show a 0.5 per cent year on year increase. This suggests the risk of deflation remains a threat to Japan's economic recovery. Japanese consumers have been keeping a tight hold on their wallets, reflected by a 2.5 per cent year on year drop in household spending in November, also announced yesterday. This marks an accelerated fall over the 0.4 per cent decline recorded in the previous month. Their caution may be a result of a squeeze on disposable incomes, down an annualised 0.5 per cent in November. *William Dawkins, Tokyo*

Orange employees replaced

Mr Tom Daxon, the new treasurer of Orange County, said that he had placed all 17 employees of the office on immediate administrative leave after discovering 'additional indications of accounting irregularities' in the office. Mr Daxon said that while he pursues the matter, he will fill the positions with county employees from other departments and some retired county employees. He also asked California State Controller Matt Fong to provide support and professional expertise. Mr Daxon did not say if the personnel situation is related to the news last weekend of an investigation into the diversion of at least $85m (£53m) into two special accounts in the treasurer's office. *AP-DJ, California*

Spanish cabinet cuts spending

The Spanish cabinet yesterday approved public spending cuts of up to Pta400bn (£1.9bn) for 1995 and a wide-ranging package of anti-fraud measures. Economy minister Mr Pedro Solbes announced a Pta150bn reduction in budgeted spending for 1995 two weeks ago. Yesterday's vote approves this and a new proposal to set aside an additional Pta250bn of spending. Ministers also approved some 450 measures to combat tax evasion and crack down on fraud in property, social security and the national health service. *Reuter, Madrid*

Peru-Ecuador tensions rise

Border tension between the armed forces of Peru and Ecuador erupted late on Thursday when an Ecuadorean air force plane launched a mortar attack on a Peruvian guard post four kilometres from the frontier. It was not clear whether the attack resulted in casualties. Peru's national defence council, presided by President Alberto Fujimori, was yesterday in permanent session and the armed forces on alert. A communique from the Peruvian foreign ministry, meanwhile, condemned the "belligerent and aggressive attitude" of Ecuador. *Sally Bowen, Lima*

China M2 up 34% last year

China's intermediate measure of money supply, M2, grew by 34.4 per cent in 1994 compared with 24 per cent growth in 1993, far exceeding the target for the year, the People's Bank reported yesterday. China had set an M2 growth target of 24 per cent for the year to curb inflation, running at about 25 per cent. China's central bank blamed excessive fixed asset spending, soaring wages and the budget deficit for the failure to curb monetary growth. The bank said that to combat inflation it would "implement an appropriately tight monetary policy by trying to limit annual M2 growth to 25 per cent for 1995." *Tony Walker, Beijing*

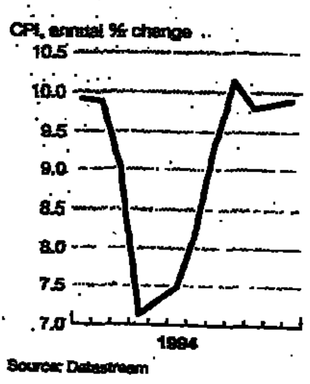
India lifts options ban

The Indian government yesterday lifted its ban on options, in a step to bring the country's newly liberalised capital markets in line with international norms. Mr C.B.Bhave, executive director of the watchdog Securities and Exchange Board of India, the SEBI, said the decision to end the 38-year old ban would allow the creation of an options and futures market in India. Welcoming the move, analysts said it would strengthen the market.In a separate move, the government gave more powers to the Bombay-based SEBI to "ensure an orderly development (of the market)". *Shiraz Sidhva, New Delhi*

Floods persist in Europe

Flood waters continued to rise last night across large parts of Germany, France and the low countries following several days of rain raising fears that the waters would exceed historic levels reached last year. The German defence ministry said 800 soldiers were helping evacuate people from houses along the Danube and Rhine and tributaries. A further 2,000 engineers were ready to be deployed at a moment's notice. The flood waters of the river Meuse were expected to reach historic highs in Maastricht. Mr Klaus Matthiesen, environment minister of North Rhine-Westphalia, urged authorities in southern Germany to flood farmland adjacent to the Rhine to reduce the water levels in cities. *Michael Lindemann, Bonn*

S Africa inflation at 9%



Source: Datastream

South Africa's inflation rate in December rose at an annualised rate of 9.9 per cent, bringing average inflation for 1994 to just 9 per cent. The final figure is 0.7 per cent lower than the 9.7 per cent achieved in 1993 and is the lowest rate recorded in the country since 1972 when inflation stood at 6.1 per cent. The final figure represents a qualified victory for Mr Chris Stals, the Reserve Bank governor, who has been orchestrating a tight monetary policy for several years to try to stamp out inflationary expectations. However the upward trend in the rate has led to fears that inflation will breach the psychologically important 10 per cent barrier in the first half of 1995. *Mark Suzman, Durban*

Further setback for Tapie

Mr Bernard Tapie, the controversial French businessman and politician, yesterday suffered a further setback in his attempt to stave off personal bankruptcy, which would jeopardise his political career. The court of appeal in Paris rejected Mr Tapie's call to suspend a provisional bankruptcy judgment made against him on December 14 last year, which is to be re-examined in early March. that the fact that Mr Tapie's ability to Mr Tapie is currently a national parliamentary deputy, and has expressed interest in running as mayor of Marseille. He would be debarred by his bankruptcy. *Andrew Jack, Paris*

Rabin slumps in polls

The fortunes of the Labour-led government of Israeli prime minister Yitzhak Rabin and with it the Middle East peace process yesterday took another hammering as opinion polls showed a big slump in the government's popularity. The first polls to be published since last Sunday's Islamic suicide bombing left 20 Israelis dead showed yesterday that Mr Rabin would be trounced by Israel's right-wing opposition if elections were held today. The survey published in the Maariv newspaper showed that 50 per cent of those polled would vote for Mr Benjamin Netanyahu, leader of the opposition Likud party and only 28 per cent would vote for Mr Rabin, who heads the Labour party. *Julian Ozanne, Jerusalem*

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Clinton tries to slow Republican drive on budget

By George Graham in Washington

President Bill Clinton yesterday renewed his call for the Republicans to spell out precisely how they plan to cut spending, as he sought to slow the progress of a proposed constitutional amendment requiring a balanced budget from the year 2002 onwards.

"Let the people know what is involved, what will have to be cut and what, if any, downsides there are," Mr Clinton said yesterday after the balanced budget amendment had cleared the House of Representatives.

The amendment passed the House on Thursday night by 300 votes to 132, more than the two-thirds majority needed to amend the constitution. The measure now passes to the Senate, where it would require the same two-thirds majority. To take effect it would then need to be ratified by three quarters of the 50 states.

Senator Paul Simon, the main Democratic supporter of the balanced budget amendment, said yesterday the measure could be taken up on the Senate floor as early as next week.

Boosting the amendment's chances of passage in the Senate is the House's rejection of a tougher version, backed by most Republicans but objectionable to many centrist Democrats, that would have required a three-fifths majority in both chambers to pass any future tax increase.

Senate leaders had warned their House colleagues that the measure stood no chance in the upper chamber if it included this requirement, but some right-wing Republicans had threatened to vote against the amendment altogether if it did not take the tougher form they favoured. They were bought off by the promise of yet another constitutional amendment to require a three-fifths majority for any tax increase. Speaker Newt Gingrich said the House would vote on this on April 15 1996 – the day Americans have to complete their income tax forms.

Even the milder balanced budget amendment eventually passed by the House, which requires a three-fifths vote to authorise a deficit but only a simple majority to raise taxes, faces a much stiffer test in the Senate.

Not only is the Senate much more evenly divided over the issue, but its procedural rules give opponents ample scope for obstruction.

The most formidable of these opponents is Senator Robert Byrd, who is not only a master of the Senate rulebook but also one of Congress's most long-winded speakers.

But with the change of power in Congress the elderly West Virginian has also lost much of the influence he held over fellow Democrats through his chairmanship of the appropriations committee, which controls spending.

Burmese army captures Karen guerrillas' HQ

By William Barnes in Bangkok

The Burmese army won an important psychological victory yesterday when it overran the headquarters of its most powerful armed opposition group, the Karen National Union, Karen officials reported.

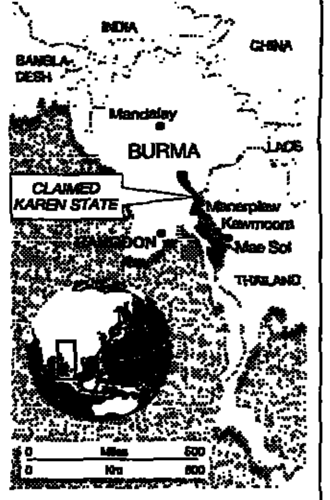
The sacking of Manerplaw on the Thai-Burma border, 220km north of Rangoon, deprives the Karen rebels of a substantial base in Burma for the first time in more than 45 years.

It also deprives the combined opposition of a symbolic base in Burma. Manerplaw was the official headquarters of the government in exile, formed when elected politicians, led by Aung San Suu Kyi, fled from Burma after the military regime cancelled the 1990 general election in which her National League for Democracy won 80 per cent of the vote. Ms Suu Kyi has been under house arrest in Rangoon for 6½ years.

Western diplomats in Bangkok said the attack, with powerful Chinese weapons, threw doubt on the Association of South East Asian Nations' policy of "constructive engagement" with Rangoon.

More than 3.000 people, including KNU guerrillas who abandoned their weapons on the Burmese side of the Moei river, fled into Thailand as heavily-armed Burmese troops closed in on the jungle base with an artillery barrage.

The six Asean countries have argued that the military regime's decades of self-isolation have shown that the State Law and Order Restoration Council(Slorc) will not respond to threats and sanctions.



Yet it is clear that Rangoon's generals, while happy to join in regional and bilateral discussions, are reluctant to make any concessions that might erode their stranglehold on the political and economic life of the country.

The US State Department said it was "evaluating how human rights violations connected with the current fighting might affect our relationship with the Burmese government."

The Burmese army is now expected to attack the smaller Karen enclave remaining at Kawmoora, about 60 km south of Manerplaw.

Although the Karen leaders will probably be able to find refuge in Thailand, the Thai military is likely to suppress attempts to engage in even limited guerrilla operations.

The Burmese army has risked international condemnation to attack Manerplaw because of its deep loathing for the Karen fighters, who have long been their most troublesome opposition. After the second world war the Karen were tainted in the eyes of many nationalists because they formed the core of Britain's imperial forces in Burma.

In 1949 the Karen National Union swept across the Irrawaddy delta and came close to capturing Rangoon from the relatively inexperienced ethnic Burman forces.

But in recent years the long painful chipping away of the KNU's influence has been accelerated by government success in squeezing ceasefire agreements from most of the other ethnic rebels, the purchase of more than $1bn of Chinese weapons and Rangoon's decision to seek to foreign investment.

Thailand once saw the Karen as buffers against a dangerous regime. Now they are seen as a hindrance to lucrative business deals that many hard-nosed Thais fear they are losing to Singaporean and Malaysian companies.

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Qiao to be Beijing kingmaker – or king

Tony Walker on the background of a man likely to wield weighty influence in China's post-Deng era

When television cameras this week were focused on Chinese leaders attending an address by President Jiang Zemin on the issue of corruption, a conspicuous absentee was Mr Qiao Shi, the powerful chairman of the standing committee of the National People's Congress.

In rumour-prone Beijing in these final days of the Deng Xiaoping era, his absence gave rise to speculation about Mr Qiao's political well-being. In fact, he surfaced within a few days in Shanghai, where he was conducting a week-long inspection tour.

It is a measure of the near-obsession among China watchers with appearances – in the absence of detail about what is actually happening inside the leadership – that elaborate theories are woven around sudden unexplained absences. The present uncertainty recalls the time when China-watching was akin to Kremlinology.

But there was also another factor at play because many Chinese believ Mr Qiao will become the pivotal figure of the post-Deng period. Attention is now focusing more intently on the 70-year-old as Mr Deng's life ebbs away and expectations increase of a fractious and uncertain aftermath.

In Beijing, a western official summed up a general view when he said that Mr Qiao was likely to play the role of "kingmaker" after Deng, and may even end up as "king" himself.

The enigmatic Mr Qiao, who has been a member of the politburo since 1985 and has held a host of government and party responsibilities, including security and intelligence, has certainly done nothing in the past year to dispel the impression that he is intent on asserting strong influence in the new period.

He has breathed life into the once moribund standing committee of the National People's Congress, China's parliament, and has made it a platform for his crusade against corruption and to strengthen the rule of law and legislative apparatus. These are safe issues and have allowed Mr Qiao to occupy the high ground intellectually and politically, while potential rivals have been grappling with the mundane questions of inflation and state enterprise reform.

Mr Qiao has also been an indefatigable traveller inside and outside China. Like a US politician building support for higher office, he has criss-crossed the country, paying particular attention to economic hot-spots such as southern Guangdong province, adjacent to Hong Kong.

He made no fewer than three visits there last year, the most recent in December after a meeting in Beijing of the Communist party central committee. In public remarks, he emphasised the need for local leaders to remain steadfast in the face of difficulty promoting reforms initiated by Mr Deng.

"Our new cause is to establish a structure for a socialist market economy," he was quoted as saying after visiting the Shenzen and Zhuhai special economic zones, a crucible for reform.

Mr Qiao appears to have made a point of being seen to be following in Mr Deng's footsteps. His visit to the southern economic zones recalls the patriarch's tour of Shenzhen in early 1992 in which he relaunched China's faltering economic reforms. He had told local cadres to be bolder.

In Shanghai this week, Mr Qiao was using similar language in a conversation with managers of state enterprises. Pointedly, he told them to "be bolder" and dare to take risks.

"You should have a sense of urgency. Don't hesitate and don't keep looking round," he was quoted as saying by Shanghai's Wenhui Daily.

Thus, he was defining himself as a reformer, albeit a cautious one, and distinct from his more conservative brethren, among them the country's president and Communist party leader, Jiang Zemin, and Premier Li Peng. Mr Qiao nominally ranks three in the party hierarchy behind Mr Jiang and Mr Li, but this is not a true measure of his influence behind the scenes.

His party and military connections run deep by virtue of his long service at the centre, and his lifelong party membership. He joined at the age of 16 and cut his teeth in underground activities in Shanghai in the years before communist rule began in 1949.

Purged during the Cultural Revolution, he returned to prominence in 1983 first as director of the General Office of the Central Committee, and subsequently head of the Central Committee's powerful Organisation Department, one of whose responsibilities is vetting party membership.

He became a member of the standing committee of the ruling politburo in 1987 and, with Premier Li, is its longest-serving member. He distinguished himself at the time of the June 4 1989 Tiananmen massacre by abstaining on a vote within the leadership to use force against pro-democracy demonstrators.

When Mr Zhao Ziyang, general secretary of the Communist party, fell after being blamed for allowing things at Tiananmen Square to get out of hand, Mr Qiao shrewdly deflected invitations to become the new secretary. He understood that he would be tainted by association with the events of June 4, and preferred instead to bide his time.

Militating against Mr Qiao's ambitions is his age. At 70 he is three years older than Mr Jiang and four years Mr Li's senior. But he gives no sign of decrepitude. Except for a tendency to being overweight, he wears his years well. Mr Deng, after all, launched China's reform programme at the age of 73 in 1977, and then lived long enough to observe the fruits of his labours.

Qiao Shi (right) talks to President Jiang Zemin during a session of the National Peoples' Congress

Picture AP

Zhu reassures west on economy

By Guy de Jonquieres in Davos

Mr Zhu Rongji, China's senior vice premier, sought yesterday to reassure western companies that a change in the country's political leadership would not weaken its commitment to continued economic reform.

The reform programme promoted by Deng Xiaoping, China's ageing leader, was "irreversible", Mr Zhu, the official responsible for economic policy, told the World Economic Forum in Davos.

"Nobody can change the policy, and it will not change," he said. "Opening to the outside world is part and parcel of China's overall reform."

Mr Zhu was confident the economy would maintain an average annual growth rate of about 9 per cent in the coming years. He said the currency, the yuan, would be made fully convertible by or before the end of the century.

He said the government was firmly opposed to maintaining economic growth at the cost of high inflation. Since November, there had been signs that policies to control price rises were taking effect, and he forecast further falls in the inflation rate in the next two years.

Mr Zhu said there was no risk of China defaulting on international debt. A recent legal dispute between Lehman Brothers and some Chinese state-owned enterprises over alleged late payments was a purely commercial affair which had nothing to do with the government. He said the dispute could be resolved in the courts, and the government would respect the law.

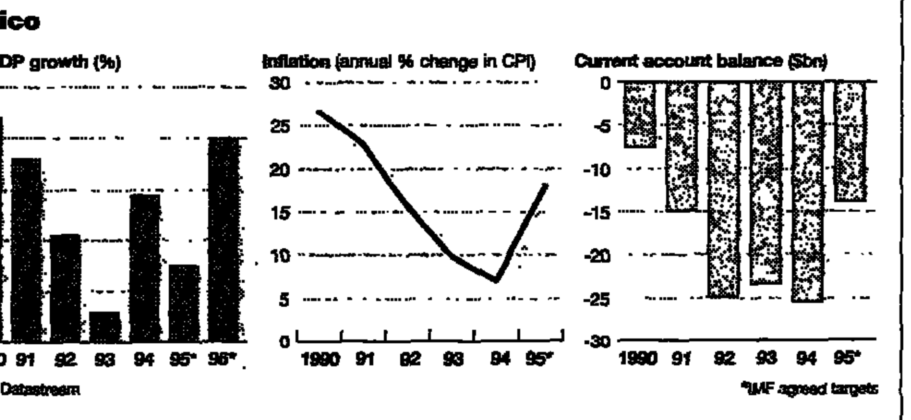
However, he admitted that problems in some state-owned enterprises threatened to slow the reform process, notably in banking and financial institutions, and that efforts were being made to increase the competitiveness of the state-owned sector by curtailing government intervention.

But he also said the pace of reform would be governed by the need to preserve social and political stability. In particular, excess staff at state-owned enterprises could not be shed "indiscriminately".

Mr Zhu regretted that China's negotiations to join the World Trade Organisation had broken down late last year. However, he said, the government would not sacrifice fundamental national interests in order to enter the WTO and would join only on terms which recognised its developing country status.

Doubts persist over Mexico

Leslie Crawford and **Stephen Fidler** on a cool response to the IMF standby deal



Source: Datastream

Mexico's agreement with the International Monetary Fund for a $7.76bn (£5bn) standby credit was greeted unenthusiastically by investors yesterday.

The lack of enthusiasm is likely to remain until a proposed $40bn package of US loan guarantees gets approval from the US Congress. Only then, it appears, will investors be confident that Mexico will be able to restructure its short-term foreign debt burden.

On the face of it, Mexico's letter of intent, signed with the IMF on Thursday, contains a programme very much in line with that originally outlined by the government earlier this month. This appearance is intended to save the government's face.

But, with the peso now standing at around 5.7 to the dollar, the IMF is sceptical of the government's original assumption that it will rise to 4.5 to the dollar. To accommodate this concern, the agreement front-loads the government's budget cuts – it will cut spending by 1.6 per cent of gross domestic product in the first half of the year.

The letter of intent agrees to a review of the programme after six months, and also contains a significantly tighter monetary stance. Domestic credit expansion to be tolerated by the central bank will now be 17.5 per cent this year, against the previous target of 21 per cent.

The government aims to run a fiscal surplus equivalent to 0.5 per cent of gross domestic product in 1995, which will entail slashing government spending by 9 per cent, excluding interest payments.

The agreement also contains tacit admissions of past mistakes. The central bank says it will no longer extend credit to national development banks and the state-owned investment trusts, now signalled as the main culprits of the unchecked credit boom which dealt the fatal blow to Mexico's pegged exchange rate last year. The Bank of Mexico's inflation target for 1995 is 19 per cent, against 7 per cent in 1994.

The aim of the programme is to halve the country's current account deficit to $14bn in 1995, about 4.3 per cent of GDP. The government hopes the devaluation will boost exports, while imports are forecast to contract by 7 per cent.

Mexico's letter of intent forecasts economic growth at 1.5 per cent in 1995, widely believed to be a very ambitious target.

Despite the narrowing of the trade deficit, Mexican economists still regard the balance of payments gap as the Achilles' heel of the economic programme. Mexico's letter of intent says the gap will be financed with a forecast $8bn of foreign direct investment and $5bn of additional external government debt.

"The foreign direct investment projections for 1995 are not credible," says Mr Rogelio Ramirez of the economic consultancy Ecanal. "Almost 70 per cent of FDI in Mexico comes from the reinvested profits of multinationals."

Not only will profit margins be squeezed as a result of the looming recession, Mr Ramirez says, but most companies have put investment decisions on hold until the currency markets stabilise and the government is able to define a new exchange regime.

"The pegged exchange rate was the anchor of the Mexican economy until the disastrous devaluation in December," says another economic analyst in Mexico. "The floating exchange rate has created too much uncertainty."

As a result, there was widespread disappointment when monetary authorities were reluctant to define what Mexico's future exchange policy would be during the signing of the letter of intent on Thursday.

"The choice of an exchange rate regime will depend on the how the currency markets stabilise over the next few weeks," Mr Miguel Mancera, governor of the central bank, said. "We are examining several options, including allowing the peso to continue to float, re-establishing the crawling peg, or adopting a fixed exchange rate. It will all depend on our future circumstances."

In private, monetary officials admit that the lack of definition surrounding Mexico's future exchange regime stems from policy disagreements between the Bank of Mexico and the Finance Ministry. The central bank is understood to favour repegging the peso to the dollar to restore domestic confidence in economic management, while the Finance Ministry favours allowing the peso to continue its free float.

Beyond the uncertainty surrounding the continued convertibility of the peso, economists worry about the effects of the austerity programme on Mexico's fragile banking system, already burdened with a dangerous level of past-due loans. "Unless we can cure the cancer of the Mexican banking system with clear legislation permitting foreign ownership of Mexican banks, the feasibility of the entire Mexican banking system remains in doubt," Mr Ramirez says.

Unilever chief hits out at intellectual property stance

By Guy de Jonquieres

Sir Michael Perry, chairman of Unilever, the Anglo-Dutch consumer goods group, warned the Chinese government yesterday that its failure to respond adequately on intellectual property rights and trade disputes was increasing western companies' concerns about investment risks.

In unusually blunt criticism, Sir Michael said Chinese authorities seemed not to have recognised the importance of IPR to western companies: "We are all going to be extremely alarmed if the Chinese government does not treat the IPR issue as theft, like the theft of any other asset."

International business attitudes were also being affected by uncertainty about China's future political leadership, Sir Michael told the World Economic Forum at Davos. He welcomed assurances yesterday by Vice-Premier Zhu Rongji that existing policies would continue unchanged.

Sir Michael, whose company is among the leading western industrial investors in China, delivered his warning at a debate in Davos with senior Beijing representatives, including Mr Liu Zhongli, finance minister, and Mr Dai Xianglong, vice president of the People's Bank of China, the central bank.

Sir Michael praised the progress of China's economic reforms to date and its emphasis on investment in infrastructure and agricultural reforms as priorities for the future. However, he said there were signs that recent international "euphoria" about China's economic prospects had passed its peak.

Though enormous opportunities remained in China, he said, western companies had to be convinced that they outweighed the risks, if they were to continue investing on a large scale.

But Sir Michael said Beijing still did not seem to have understood the importance of meeting western companies' anxieties about IPR violations and trade disputes, which were adding to the sense of risk. The risks had also been increased by delays in China's planned entry into the World Trade Organisation.

Sir Michael said he understood China's insistence that the terms of WTO entry must not prejudice its national interests.

But he insisted: "If all countries did nothing but advance their own vital national interests, we would not have a WTO."

Western business was also concerned that Chinese authorities were channelling scarce liquidity to inefficient state-owned enterprises at the expense of more successful businesses.

Sir Michael also noted that it was difficult for western companies to obtain locally produced supplies, particularly packaging materials.

Chancellor upbeat on prospects for growth

By Peter Norman in Davos

Mr Kenneth Clarke, the UK chancellor, yesterday suggested that the British economy could continue to grow at a rate faster than its long-term average for some time to come.

In a press conference at the World Economic Forum, he made clear that he did not consider that strong growth alone indicated that the economy was overheating and running into inflationary dangers.

While careful to make no direct comments on interest rate policy before next Thursday's monthly monetary meeting with Mr Eddie George, governor of the Bank of England, the chancellor gave the impression that he would not be pushing for a rise in base rates.

He expressed satisfaction at the healthy pattern of the recovery with investment and exports expected to grow faster than consumer demand. He pointed out that last year's growth of 4 per cent had been coupled with the lowest inflation for 25 years. He also noted that there was some spare capacity in the British economy.

There was, Mr Clarke said, the possibility of keeping ahead of trend growth, which in the UK is thought to be between 2 per cent and 2.5 per cent a year, "for quite some time". He was confident of "good growth" this year. "Whether it will be 4 per cent or not remains to be seen, it may be a little less." But he said the government had to look at other indicators as well as growth when judging inflationary pressures.

Earlier in an address to the forum, Mr Clarke called for freer labour markets to ensure that economic growth led to more jobs.

He pointed out that labour markets in most European countries remained highly regulated. These arrangements, intended to promote social welfare, had not worked. Controls and rigidities made it difficult for people who lost their jobs to find work.

"Excessive and unnecessary regulation of hiring and firing and pay and conditions is a serious deterrent to new job creation," the chancellor said. "The unemployment figures in most European countries prove it."

Privatisation provided an opportunity for identifying what subsidies were necessary for covering social needs and which were covering poor performance. In the case of the railways, he thought much of the present subsidy was financing poor management and inefficiency rather than commuter and suburban services.

Mr Clarke said he would not privatise the National Health Service, which he said was the most efficient in the world. However, there was scope for privatising some of the infrastructure of the health service.

Takeover deal 'pipeline' is full

Glaxo could act as a catalyst for more activity, says Nicholas Denton

In one respect, at least, the current burst of takeover activity has already surpassed the boom of the 1980s. Glaxo Holdings' £9bn hostile bid for Wellcome could produce the UK's biggest ever takeover.

Lazard Brothers, Baring Brothers, Morgan Stanley and Robert Fleming, the financial advisers, and an assortment of brokers, lawyers, PR advisers and accountants are set to enjoy bumper fees.

Two UK food and drink companies, Cadbury Schweppes and Grand Metropolitan have set their sights on US targets that will cost them more than £1bn each. Veba, the German energy conglomerate, is to pay £800m for a 10 per cent stake in Cable and Wireless.

The London stock market is jumpy with anticipation of more to come. In recent days, shares in SG Warburg, Kleinwort Benson and TSB Group have surged on bid speculation. The "pipeline" is full, say investment bankers, referring to deals which have been initiated but not yet completed.

And the Glaxo bid could be a catalyst. "Everybody has been waiting for the big deal, the one that will break the logjam," says Mr Rick Sapp of Goldman Sachs, the US investment bank. "When people are willing to do £9bn deals, that elevates everyone's sights. The previously undoable becomes doable."

One M&A executive, admittedly at a house that is doing particularly well at the moment, says he has taken on four new mandates in the last fortnight.

Most recent studies of takeover activity in Europe showed rises of between 30 and 40 per cent in 1994. The value of cross-border deals within Europe, at £39.4bn, had regained the levels last seen at the turn of the decade, according to Acquisitions Monthly magazine.

The underpinnings are firm. Economic recovery has spread from the US and UK to continental Europe and given company executives confidence.

Improved cashflow and rights issues have allowed companies to replenish their war chests. In the UK, the corporate sector's liquid assets have risen from 49 per cent to 62 per cent of liquid liabilities in the past four years, according to stockbroker Hoare Govett.

The rule of thumb in the M&A industry is that takeover activity follows an improvement in financial balances, with a lag of about two years.

Europe is also experiencing what one investment banker calls the "echo effect" of a frenetic bout of takeovers and strategic alliance building in the US. Transatlantic purchases nearly doubled in value in 1994, surging to $58.5bn (£37.5bn).

Yet companies, particularly in sectors such as pharmaceuticals and food, remain under pressure from competitors and the stock market to concentrate on core activities and gain critical mass to succeed in them. Focus in the 1990s has proved as powerful a spur to dealmakers as diversification was in earlier decades. As long as companies follow one fashion or the other, says one adviser, the M&A industry prospers.

Conditions for an M&A revival may have finally moved into auspicious conjunction. But investment bankers are not celebrating bid fever yet.

That is partly because the wait has been long and frustrating. Investment bankers have for months been talking about large potential deals. But it is estimated that as few as a tenth have been – in the parlance – "converted" into reality. "The vast majority of jumbo deals fall through before they go public," says Mr Stephen Hester, head of European M&A at investment bank CS First Boston.

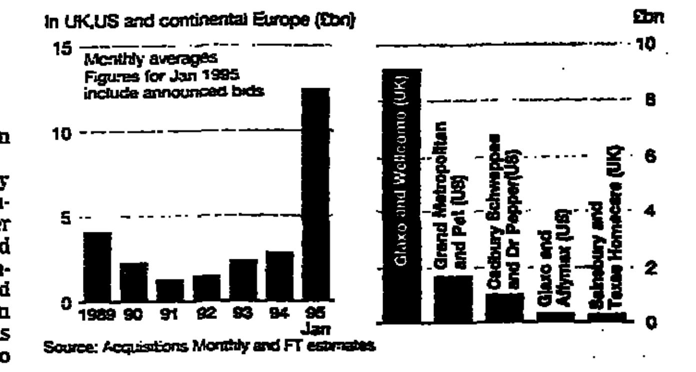
Activity may have risen in 1994; but cross-border European transactions have only just regained the levels of their earlier peak; and domestic transactions still languish. "Boom is a big word. I think we are getting back to normal again," says Mr Klaus Diederichs, co-head of European M&A at JP Morgan.

One reminder of the fickleness of investment banking fortune is even closer. Even as the M&A arms of investment banks are flourishing, they are cutting back on operations in the depressed bond and equity markets.

"It is nice to see this activity, but on the other hand we are laying off people," says Mr Sapp of Goldman Sachs, which is cutting 15 per cent of its staff worldwide. "It is a bitter-sweet experience."

Acquisitions by UK companies

January's big bids



Source: Acquistions Monthly and FT estimates

UN raps Britain on children's rights

The British government has been accused by a United Nations report of breaching the spirit of the UN Convention on Children's Rights.

Members of a committee set up to monitor Britain's ratification of the Convention say its provision that laws should be framed in the "best interests of children" appears not to be the case in health, education and social security.

The report says government proposals to build secure training centres for young juvenile delinquents are likely to be in breach of UN laws and criticises the high number of children living in poverty.

Concerns are raised over the number of teenage pregnancies, the soaring divorce rate, cuts in state benefits and the number of children sleeping and begging on the streets.

Committee members say they are "disturbed" about laws allowing the physical punishment of children in their own homes, and in privately-funded or managed schools.

The eight-page document – the result of a session in Geneva this week, where government officials were quizzed by the UN committee – has just three paragraphs focusing on positive aspects. The remaining 16 are critical, and there are a further 23 devoted to recommendations.

The UK government ratified the Convention in 1991. It is urged to give "greater priority" to its general principles. Laws should be passed making it illegal to punish physically children in families, and plans to set up secure training centres for 12-14 years olds should be reviewed.

Among other recommendations are calls for measures to end health inequalities between children from different social and ethnic backgrounds and to ease homelessness.

Lloyd's chief confident over solvency tests

By Ralph Atkins, Insurance Correspondent

Attempts by Lloyd's of London to stem the flood of legal claims for compensation by lossmaking members are unlikely to result in a single "big bang" solution covering all Names, Mr David Rowland, Lloyd's chairman, said.

In an interview with the Financial Times, Mr Rowland also said the insurance market would pass solvency tests set this year by the government, in spite of the financial pressure caused by many Names' continuing reluctance – or inability – to settle debts.

Though frank about the continuing need for reform at Lloyd's, Mr Rowland expressed confidence that the market could consistently make healthy profits. "The turkeys have gone out of the market," he said. Lloyd's has lost more than £7bn in recent years of which £2bn remains uncalled from Names, individuals whose assets have traditionally supported the insurance market.

One suggestion being floated for an out-of-court settlement is that Names who lost heavily as a result of insurance "spirals", by which underwriters agreed to cover others against excessive losses from catastrophes, could be treated separately from those with "old year" losses from US asbestosis and pollution claims.

A settlement covering the latter could be linked with the setting up of Equitas, a new reinsurance company which Lloyd's envisages taking over liabilities outstanding on policies dating from 1985 and earlier.

Mr Rowland said a failure to reach a settlement would be "a problem" for the market. But Lloyd's council was confident that even in a "worst case" scenario, the market could ensure all Names met Department of Trade and Industry solvency requirements. "Although the situation clearly is tight, we shall pass solvency this year," he said.

But he warned Lloyd's still faced considerable hurdles.

UK NEWS DIGEST

Channel tunnel coach service faces new delay

Euro Tunnel, operator of the channel tunnel which has been beset by a series of delays, yesterday warned that its service for coaches and tall vehicles would begin at least two months later than planned.

Single-deck trains designed to carry cars taller than 1.85 metres and coaches will now not begin to operate at least until early May, it said in a statement yesterday.

It said the delay was caused by a failure of the Euro Shuttle Consortium Wagon group to deliver on time the nine 12-wagon single-deck trains designed to carry coaches and cars. This would in turn cause delays in the rigorous safety testing required by regulatory authorities including the Intergovernmental Commission supervising the tunnel.

The company said it was "possible" that it would seek additional compensation as part of a wider attept to pursue costs of delays from Trans Manche Link, the company to which it has subcontracted design, construction and operation of the tunnel. Euro Tunnel has faced a number of embarrassing delays since it initially pledged that the tunnel would be operating from May 1993. Full freight services began last summer, passenger train services in November and car shuttles in December. *Andrew Jack, Paris*

Union in health company deal

Britain's GMB general trade union has agreed a recognition agreement with ISS Mediclean, the specialist healthcare contractor. The agreement gives full negotiating rights to 7,000 GMB members working for ISS Mediclean in the UK, a subsidiary of the Danish ISS contract cleaning group which has 130,000 employees worldwide.

The GMB staff work in hospital cleaning, catering, car parks, security and portering. The company currently holds 90 contracts in the Health Service worth £50m ($79.5m) a year. *Richard Donkin, Employment Staff*

Ex-soldier wins compensation

A former army captain dismissed from the service because she became pregnant was yesterday awarded £39,000 ($62,010) by an industrial tribunal. Mrs Abigail Kirby-Harris, aged 44, had been seeking £506,000 after she was retired from the Royal Army Education Corps in 1982 when five months pregnant.

Her claim was the largest in the UK since July, when the Employment Appeals Tribunal gave new guidelines over awards to servicewomen. It described previous six figure awards as "manifestly excessive." Since July, awards to ex-servicewomen have averaged £10,000. The Ministry of Defence now has less than 1,000 cases involving servicewomen to deal with. Final compensation payments for a total of 5,000 cases are estimated at £47m. *Lisa Wood, Employment Staff*

Last tin mine makes money

South Crofty, Cornwall's last remaining tin mine, is making money on production for the first time in many years following a rise in the tin price. Since the dramatic fall in tin prices in the 1980s South Crofty, which employs 250 people, has battled for survival and other mines have been forced to close. Production costs at South Crofty run at about £4,000 per tonne. In 1988 management and employees bought the mine from Rio Tinto Zinc, which had owned it since 1984. *Sue Stuart*

Family loses BA Kuwait suit

A brother and two sisters captured by Iraqi troops at the outbreak of the Gulf war when a British Airways jet stopped to refuel in Kuwait yesterday lost their Court of Appeal case for the right to claim damages.

Mr Ravinder Sidhu and his sisters Karen and Harjinder of Southall, west London, wanted to sue BA for the psychological trauma suffered during the 19 days they were held prisoner, in Kuwait City and Baghdad. The court ruled they could only sue under the Warsaw Convention and this contained a two-year deadline for actions and prevented actions for mental injuries.

Warning on forged banknotes

Lloyds Bank yesterday warned its customers that it could not guarantee the soundness of banknotes issued through its cash dispensers after it had to exchange a forged £20 note from a machine. Lloyds said the £20 note, issued through a machine in the City of London, had evaded normal checks for note forgery. The bank said: "We deal with a lot of banknotes, and no system can be foolproof."

The National Criminal Intelligence Service, which handles inquiries into note forgery, said police had noticed a rise in forgeries within the past two months. About £18m ($28.62m) of forged notes were seized by police during 1993.

Warning by electricity watchdog hits sell-off plan

By Peggy Hollinger

British government plans to raise £4bn ($6.36bn) from the sale of its stake in Britain's two largest power generators suffered a setback yesterday after the electricity industry regulator warned he was monitoring the actions of National Power and PowerGen following recent record prices.

Publication of the pathfinder prospectus, which will set out the companies' regulatory and commercial prospects and was due on Monday, has been delayed for a week to take account of the statement. The government's advisers stressed the sale would go ahead as planned in mid-February.

The Treasury and its advisers are believed to be furious at the timing of Professor Stephen Littlechild's statement. The Treasury is to meet Prof Littlechild to clarify his position on the possibility of a Monopolies and Mergers Commission referral and on the ramifications of further high prices.

Prof Littlechild, responding to complaints from large energy users such as Imperial Chemical Industries, notes that average wholesale electricity prices are running 4-9 per cent above the price cap agreed with the generators last year. In February the regulator decided not to refer them to the MMC if they agreed to the price caps and sought to sell some 6000MW of generating capacity.

The generators have argued that the price rises are the result of exceptional circumstances – the closure of two nuclear power stations for repairs and problems at a National Power plant this week have meant more expensive plant has had to generate the electricity, while demand is higher because of the cold weather.

It is understood the regulator has not been convinced by this argument. He said he would reserve judgment until the end of March, when the average annual price level will be determined.

Dance theatre 'not viable'

By Antony Thorncroft

Hopes of a purpose-built dance theatre for London were dampened yesterday after Britain's Arts Council published a survey on opera and dance.

The report suggests that the provision of 'lyric theatre' in London is more than adequate, as the core audience for opera of about 600,000 has not increased in 20 years and the audience for ballet has declined.

The review was commissioned by the Arts Council at a time when many companies are applying for grants from the National Lottery funds.

It says: "It is questionable whether a house exclusively devoted to dance is viable."

Its solution is a Dance House Network, with a reconstructed Sadler's Wells as a base for medium-sized work, and the Coliseum taking the larger dance companies capable of attracting audiences of more than 2,000. It suggests that if there were more dance at the Coliseum, perhaps with English National Ballet becoming a tenant there, the English National Opera would be free to develop smaller-scale opera productions at other venues. This would help solve the over-provision of large-scale opera..

The report, headed by Mr Dennis Stevenson, chairman of the SRU Group of management consultancies and the Tate Gallery Trustees, supports the idea of a well-funded national opera company, based at Covent Garden, and believes its planned £150m rebuilding programme should go ahead – with closure in 1997 and a re-opening in late 1999.

It argues against the Royal Opera House and the Coliseum being closed for re-building at the same time. The nightly availability of seats for lyric theatre in London is now 4,150: if the redevelopments go ahead it could more than double.

The council is seeking responses by the end of February.

Revision of sterling exchange rate index

The Bank of England has revised the sterling exchange rate index, Philip Gawith writes. The main effect will be to increase the weights of European – particularly EU – currencies and to reduce the weight of the dollar, from February 1.

The total weight of EU countries increases from 55.6 per cent to 70 per cent, with the largest increases for Spain and Germany. The main falls are for Japan, Switzerland and the US – the weight of the US dollar falls to 16.5 per cent from 20.4 per cent.

The number of countries covered by the index rises from 17 to 21 – the new countries are Australia, New Zealand, Greece and Portugal.

The new index will be based to 1990, with weights calculated on trade flows from 1989-91. The current index, based to 1985, reflects trade flows in 1980.

The weights in the index are designed to measure, for an individual country, the relative importance of each of the other countries as a competitor for its manufacturing sector.

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German engine maker's shares suspended

By Michael Lindemann in Bonn

Shares in Klöckner-Humboldt-Deutz (KHD), one of the world's leading makers of diesel engines, were suspended yesterday fuelling speculation that the company was likely to announce big losses on Monday.

The company said it would hold a press conference on Monday to explain "the economic development of the KHD group". A KHD spokesman refused to comment on press reports which suggested that the company needed an injection of several hundred million D-Marks to survive over the coming months.

He said that turnover last year had just reached the 1993 level of DM3.3bn ($2.18bn) and that orders during the year were "significantly better" than the DM4.1bn booked in 1993. Full results for 1994 are not expected until May.

The shares lost DM21 before they were suspended at DM81. Speculation that things might be going wrong at KHD first began last August when shares were trading at about DM124, down from a high last year of DM161.5.

A report in a magazine published yesterday said the company had debts of DM1.3bn and expected an operating loss of DM120m, down from a forecast profit of DM66m. To plug the hole in the balance sheet, KHD planned to raise about DM80m from the sale of four smaller companies.

A source said that the liquid cooled engines operations had failed to reach profit targets and were proving a drain on the group. The entire engines division contributes about 55 per cent of group turnover and the company also has interests in tractors and plant.

Deutsche Bank, Germany's biggest bank, holds a 35.8 per cent stake in the company. Mr Hilmar Kopper, its chief executive, was head of the KHD supervisory board until the beginning of January. He handed over to Mr Michael Endres, another Deutsche Bank board member, who chaired a meeting of the supervisory board on Thursday.

When reports first emerged last August, Mr Kopper issued a statement calling the reports "irresponsible".

"Half a year ago the situation was obviously somewhat better than it is today," one analyst said.

KHD is one of the oldest and best-known names in German engineering. Its shares are listed on all eight stock exchanges in Germany and also in Paris, Brussels and Antwerp.

However, the company ran into trouble in 1987 and Mr Kajo Neukirchen, the man drafted in early last year to rescue Metallgesellschaft, the Frankfurt metals trading group, from near collapse, stepped in and began to overhaul the group.

CRISIS TIMETABLE AT METALLGESELLSCHAFT

Dec 6, 1993	German press reports liquidity problems caused by US oil trading losses. Share fall 12 per cent and banks provide new finance.
Dec 17	Heinz Schimmelbusch, MG chairman, and Meinhard Forster, finance director, sacked as scale of US losses emerge.
Dec 21	Kajo Neukirchen, new chairman, says restructuring necessary. Shares nearly half early December level.
Jan 5, 1994	Banks, led by Deutsche Bank, agree DM3.4bn rescue package after MG says 1993 loss nearly DM2bn.
Feb 22	Neukirchen says DM1bn of disposals planned. Profitable Buderus engineering subsidiary and other assets later sold.
Nov 18	MG says 1994 net loss DM2.7bn.
Jan 23, 1995	MG and Deutsche Bank attack Schimmelbusch's $10m lawsuit which alleges defamation.
Jan 27	Auditors' report blames previous management for problems and clears supervisory board.

Heinz Schimmelbusch

Schimmelbusch under fire

By Andrew Fisher in Frankfurt

Metallgesellschaft yesterday fired off a new round of ammunition against its former chairman, Mr Heinz Schimmelbusch, in the form of an independent auditors' report criticising his conduct over US oil trading losses which nearly bankrupted the German industrial and trading company.

The company was only saved when banks, headed by Deutsche Bank and Dresdner Bank – both shareholders – agreed a DM3.4bn ($2.2bn) rescue package a year ago. The Metallgesellschaft affair has left a strong residue of bitterness among those involved.

The report, commissioned by shareholders from two auditing firms, said Mr Schimmelbusch and his colleague Mr Meinhard Forster, then finance director, neglected their duty as directors in 1993 by failing to be aware of the scale of the oil losses or initiate remedial action. Both were fired in December, 1993. Mr Schimmelbusch was unavailable for comment yesterday.

The report absolved Mr Ronaldo Schmitz, the Deutsche Bank director heading Metallgesellschaft's supervisory board, of responsibility for the crisis. He received no information about the company's US oil business which would have merited his closer attention, said the report by auditors Wollert-Elmendorff and C&L Treuarbeit (part of Coopers & Lybrand).

Metallgesellschaft, negotiating with banks over a further DM600m capital injection after a planned capital write-down, said it was still considering plans to sue Mr Schimmelbusch. The supervisory board will decide whether to take legal action when it meets on February 2. The company said the report represented the failure of Mr Schimmelbusch's attempts to deflect responsibility for the company's "existence threatening" losses.

Mr Schimmelbusch has filed a lawsuit in New York for damages of at least $10m against Metallgesellschaft, Deutsche Bank and Mr Schmitz. He claimed they brought Metallgesellschaft "to the brink of bankruptcy" and covered up their actions with a defamation campaign against him. This was rejected by Metallgesellschaft and the bank.

The auditors' report said the large oil futures losses suffered by Metallgesellschaft in the US were caused by the size of the trading exposure and not by the winding-up operation. Mr Schimmelbusch has claimed losses were increased by the speed with which the contracts were liquidated under Mr Schmitz's direction.

Reproaching Mr Schimmelbusch with "careless actions of a high order", the auditors said that as chairman of Metallgesellschaft and its US subsidiaries he should have exercised a special control and supervisory role. The fact that he tried to have the volume of the US oil contracts reduced showed he was increasingly aware of the problem, it added.

The report said it had not been possible to find out if and when Mr Schimmelbusch recognised the full extent of the risk from the oil business of MG Corp, a US subsidiary. But his failure to exercise intensive control or to act to limit risks showed "behaviour contrary to duty".

The same was true of his denial of further risks in the supervisory board meeting of November, 1993.

Second fund chief quits Fidelity

By Maggie Urry in New York

Fidelity Investments, the leading US mutual fund manager, has announced another resignation among its fixed income fund managers following the news earlier this week that Mr Thomas Steffanci, the head of the division, was going.

The second resignation within a week from the department is likely to fuel speculation that a change in investment policy is under way after the group's poor fixed income fund performance in 1994.

Yesterday, Fidelity said that Mr Robert Citrone, who ran the Fidelity New Markets Income fund, which invested in the debt of emerging markets, was leaving to join Tiger Management, a leading hedge fund manager based in New York.

Among a number of portfolio manager changes Mr Jonathan Kelly, manager of the Fidelity Global Bond fund, would temporarily also take charge of Mr Citrone's fund and as well the Fidelity Emerging Markets Bond fund and the Fidelity Advisor Emerging Markets Income fund.

Fidelity's fixed income funds performed badly in 1994, one of the worst years for bonds, even compared with other bond funds. However, they are still above-average performers on a three-year view.

Fidelity has denied that it had significant funds invested in derivatives and emerging country debt, two areas which did particularly poorly in 1994.

Time-Warner in $2bn cable-TV deal

By Tony Jackson in New York

Time-Warner, the US media group, is to spend $2.2bn on expanding its cable-TV interests through a deal with Houston Industries, the Texan electrical utility.

The purchase will bring Time-Warner's cable customers to 10m in total, putting it narrowly behind the US leader, Tele-Communications Inc (TCI).

Time-Warner is buying Houston Industries' half share of Paragon Communications, set up by the two companies in 1986 and serving part of Manhattan and Tampa, Florida.

It is also buying Houston Industries' wholly owned networks in Texas, Minnesota, Oregon and California, serving about 690,000 subscribers in total.

The deal forms part of a general consolidation of the cable industry in the US, prompted by the prospect of direct two-way competition with Baby Bells, the powerful regional telephone companies.

Mr Don Jordan, Houston Industries chairman, said: "Success in the cable industry in the future requires substantially greater size, capital expenditures and strategic partnership to compete effectively."

Time-Warner is to issue stock worth about $1bn, consisting of common and preferred shares convertible into around 5 per cent of its equity. It will also assume $1.2bn of debt.

The company said the deal would add $250m to its cash flow, including access to cash flow from Paragon. The effect would be to lower its ratio of debt to cash flow, but not dramatically.

Houston Industries said possible uses of the proceeds included the buy-back of stock. It would also have further scope to expand its power business overseas.

Mr Gerald Levin, Time-Warner chairman, said the deal accomplished important objectives.

"First, it expands our cable footprint, building on our key geographic cluster strategy. At the same time, we are continuing to add fibre optics throughout our new and existing cable plant. The resulting combination of size, mass and technological superiority will give us several layers of revenue growth." These included phone services, pay-per-view TV and interactive programming, he said.

Last month Time-Warner launched a pilot system in Orlando, Florida, consisting of highly sophisticated video-on-demand and interactive home shopping and games.

Time-Warner's stock fell $% to $35¼ in early trading yesterday.

Despite the marginal strengthening of the balance sheet, the further move into cable is likely to involve increased capital expenditure. The group has made losses since the merger of Time and Warner in 1989.

USAir posts $322m fourth-quarter loss

By Michael Skapinker, Aerospace Correspondent

USAir, the troubled airline in which British Airways holds a 22 per cent stake, reported a fourth-quarter net loss of $322m and said it would reduce the size of its operations and defer the delivery of new aircraft.

The loss for the last three months of 1994, on revenues of $1.7bn, compares with a net loss of $116.5m in the fourth quarter of 1993. The 1994 result included a charge of $186.8m to cover the cost of establishing a reserve for aircraft no longer in use and for obsolete inventory.

The airline's net loss for the full year was $648.9m, including a charge of $226.1m. The loss, on revenues of $7.0bn, compares with the 1993 net loss of $393.1m on revenues of $7.1bn. The loss per share for the year was $12.73, compared with a loss of $8.48 in 1993.

Mr Seth Schofield, chairman, said the group had to cut costs sharply if it was to survive. He said: "High-cost carriers simply will not survive and this is one airline that intends to survive. We believe most of our employees share that determination."

Mr Schofield said, however, that the airline had still not reached agreement with its unions on cost-cutting measures. "We have been talking with our labour groups for 10 months, attempting to reduce labour costs. During that time management has implemented almost $400m in annual cost savings towards its target of $500m, but there is no agreement on the essential companion cuts in labour costs," he said.

Mr Schofield said while he was disappointed not to have reached agreement with the unions, the airline would have to cut costs in other areas. This would lead to USAir having fewer aircraft and fewer employees, he said.

As a first step, the company would defer the delivery of eight Boeing 757 aircraft that were due to be delivered next year.

Mr Schofield said the group had also reached tentative agreement to dispose of its hangar in Indianapolis.

He said USAir remained open to further discussions with the unions on how to achieve a target of more than $1bn in annual cost savings.

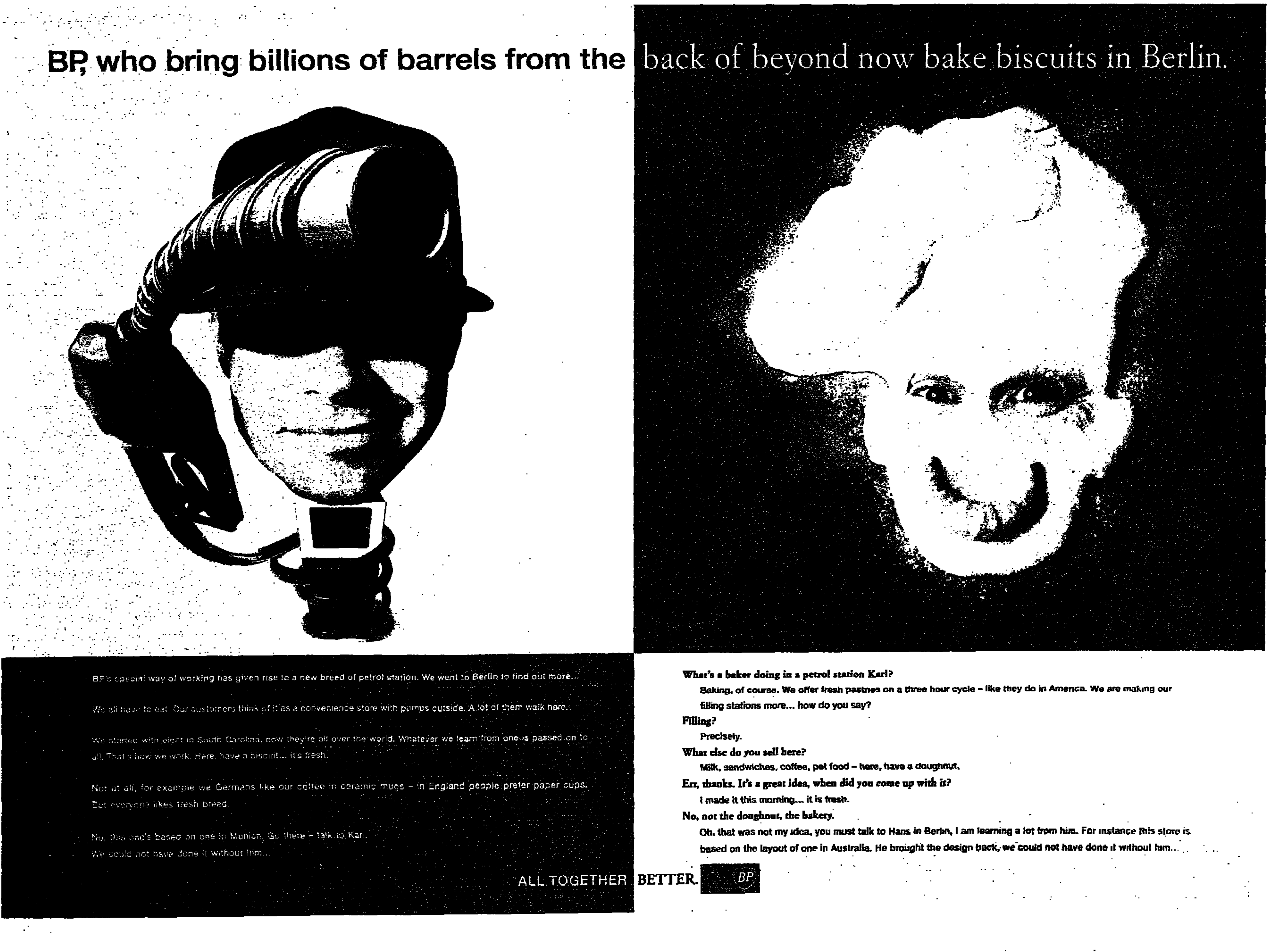
Mr Schofield added: "While the financial results and failure to get a labour agreement are disappointing, we are encouraged that traffic has returned to normal levels and by our expectations of double-digit traffic growth for the month of January."

Recovery in Europe helps Perstorp climb 12%

Perstorp, the Swedish speciality chemicals and plastics group, saw profits rise 12 per cent to SKr225m ($30m) in the four months to December 31, writes Christopher Brown-Humes in Stockholm.

Mr Gösta Wiking, chief executive, said the company had benefited from economic recovery in Europe and favourable business conditions in the US and Asia. But he noted that rising raw material prices meant the group had not felt the full impact of a 16 per cent increase in sales to SKr3.94bn.

The company is standing by an earlier forecast that profits in the year to August 31 will exceed last year's SKr551m.



COMPANY NEWS: UK

Approval for new drug could make the target more attractive

Wellcome Tst stays pro Glaxo

By David Wighton and Daniel Green

The Wellcome Trust, owner of nearly 40 per cent of the shares of Wellcome plc, yesterday ignored the company's pleas to withdraw a commitment to accept the £9bn bid from Glaxo, the rival drugs group.

But the trust welcomed the company's efforts to find a better offer. In response, the company said it was encouraged by the trust's "endorsement" of its strategy.

The company also announced that it had received first regulatory approval for its new drug Valtrex, a herpes virus treatment. The approval, in the UK and Ireland, will be followed unusually quickly by the product's launch on Monday.

Mr John Robb, chairman and chief executive, had said on Thursday that new drug approvals would add to Wellcome's attractiveness to potential bidders.

But after considering information supplied by the company the trust's financial advisers, Robert Fleming, decided not to change its original advice that the trust should enter into an irrevocable commitment to accept Glaxo's offer.

Assuming the commitment is cleared by the High Court, the Trust will be obliged to accept Glaxo's offer unless a higher bid is received within 21 days of the posting of Glaxo's offer document. Glaxo has declared its offer final in the absence of a rival bidder.

On Thursday, the company's board rejected Glaxo's terms and said it would seek higher offers. It also called on the trust to withdraw its commitment to accept, allowing the company more time to find a higher bidder.

The trust said yesterday: "The trustee is encouraged by the active exploration by the board of the company of whether a better offer can be obtained . . . if such an offer were made the irrevocable commitment would lapse and the trustee would be able to accept it."

The company said it was pleased the trust would be able to accept a better offer. "The board views this as an endorsement by the trust of the board's strategy."

Baring Brothers and Morgan Stanley, the company's advisers, had argued that the irrevocable commitment imposed too tight a deadline on its efforts to secure a better offer.

But the trust's advisers are thought to have concluded that the period allowed in the original agreement was sufficient for any serious bidder.

The advisers may also have considered the fact that, without the trust's irrevocable commitment, Glaxo would have been free to buy up to 10 per cent of Wellcome's shares in the market. This might have acted as a more serious deterrent to another potential bidder.

The approval of Valtrex is an important step in Wellcome's efforts to replace Zovirax, another virus treatment and its best-selling product, the US patent on which runs out in 1997.

Valtrex has been submitted for approval in 27 countries. Wellcome said it was "confident that further approvals in major markets will be granted during the next few months".

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Pub venture sells 1,750 non-tied houses

By David Blackwell

Inntrepreneur Estates, the joint pubs venture between Grand Metropolitan and Foster's Brewing Group, has sold 1,750 pubs for £254m cash and completed the refinancing announced last November.

The pubs are not tied to Courage, the British brewer through which Australian-based Foster's holds its stake in Inntrepreneur. They have been bought by Phoenix Inns, a subsidiary of Morgan Grenfell, the merchant bank.

In November the freehold of 320 Chef & Brewer pubs, leased to Scottish & Newcastle, was transferred from Inntrepreneur to Morgan Grenfell for an initial £203m pending sale of the freeholds. They are expected to be sold in a few weeks; British Land is seen as the most likely purchaser.

The moves leave Inntrepreneur with a tied estate of 4,330 pubs. GrandMet and Courage each have a stake of £212m.

The company is now financed with an £800m bank facility agreed with a group of lenders consisting of National Westminster, Sumitomo, Chase Manhattan, Citibank and JP Morgan. It will use the £254m cash from Phoenix to reduce its bank debt.

Inntrepreneur, which has also repaid a £360m loan to GrandMet, will no longer be managed by GrandMet Estates, but by its own management. A new chief executive will be announced soon for the company, whose agreement with Courage expires in March 1998.

The management team at Phoenix Inns will be headed by Mr Dick Hayes, now an executive director at Courage. The team will aim to maximise the value of the estate, and ultimately to dispose of it – not necessarily in one piece.

GrandMet said the sale to Phoenix was the best way of getting out of an asset that did not fit in with its strategy of concentrating on its food and drink businesses. It would also leave Inntrepreneur free to concentrate on getting the best from the tied estate.

GrandMet had managed the joint venture since the partners pooled their pubs in 1991. It had been criticised for running Inntrepreneur more like a property company than a pub business, and some licensees had complained about the terms of their leases.

TBI acquisition

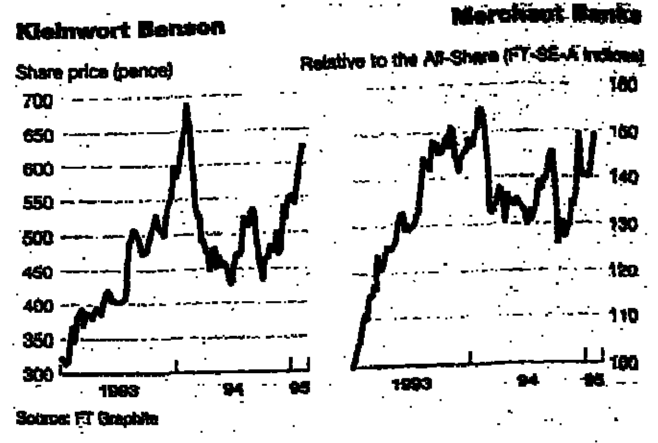
TBI, the Cardiff-based property investment company, has acquired a portfolio of properties from Temple Bar Investment Trust for £11.2m.

The mixed use portfolio, mainly in and around London, generates annual rental income of £1.13m, giving a yield of 10.2 per cent at the purchase price.

The acquisition is being funded from existing resources and the issue of 7.1m shares at 38p apiece, equating to £2.7m.

Kleinwort Benson denies takeover talks rumours

By John Gapper, Banking Editor



Source: FT Graphite

Kleinwort Benson, the investment bank, yesterday denied that it was in talks with any bank or investment bank with a view to being taken over.

The statement, prompted by an inquiry from the Stock Exchange to Kleinwort's stockbroker, Cazenove, was the culmination of a week of speculation in the market about possible acquisitions of banks and investment banks.

Speculation was fuelled by the collapse of merger talks between Morgan Stanley and SG Warburg, the ambitions of banks to expand into investment banking, and doubts over whether City investment banks could stay independent.

Kleinwort shares peaked at 653p on a report in the German financial newsletter Platow Brief that Dresdner Bank was about to bid some 800p per share for Kleinwort. The shares fell after the statement to close 19p higher on the day at 620p.

Kleinwort is regarded by analysts as an attractive purchase for a European bank trying to expand into investment banking, but some analysts calculate that a purchaser would have to pay about £600m in goodwill to take it over.

Most bankers believe any bid for Kleinwort – or other banks which were the subject of speculation this week, including Warburg and Schroders – would have to be recommended because their value depends heavily on employees.

Kleinwort said that "in view of the persistence of current speculation" it wished to state that it was not in merger or bid discussions "with any party". The report was dismissed by Dresdner as being "completely without foundation".

Mr Philip Gibbs, analyst at BZW, the investment banking arm of Barclays, estimated that a bid for Kleinwort would have to value the business at a minimum of 800p per share, compared with an estimated net asset value of 358p.

This would imply paying goodwill of at least £590m. The Kleinwort family holds some 12 per cent of the equity in trusts, although only one non-executive director of the bank is now directly connected with the family.

Mr Gibbs said the cost meant there were few candidates.

Kleinwort has a broad-based equity business, including a strong position in worldwide mergers and acquisitions, and underwrites and distributes European and Asian equity. The bank employs about 2,800 staff around the world.

It has emphasised its desire to remain independent. At the turn of the decade, it was seen as vulnerable because of poor performance in the late 1980s, but executives now think that it has a sustainable future on its own.

Dresdner, which denied earlier in the week that it was in talks with Warburg or Kleinwort, expanded its denial to include "any talks with London investment houses". The bank has said it wants to expand in investment banking.

BT poised to make $1.8bn from selling stake in AT&T

By Alan Cane

British Telecommunications, the UK telecoms operator, is poised to make about $1.8bn (£1.15bn) from selling its 35.86m shares in AT&T, its principal international rival, at $49¾ apiece.

The offering will be one of the largest in US business history.

The shares will be offered to investors through a worldwide group of investment banks led by Goldman Sachs and Morgan Stanley.

The shares are held by BT USA Holdings, a subsidiary which acquired them though its 17 per cent stake in McCaw Cellular Communications, which it sold to AT&T last year.

At the time of the merger of McCaw and AT&T, the stake was valued at $2.2bn.

BT had always made it clear that it had no intention of retaining the holding.

BT has made no statement about how it intends to use the proceeds but it is expected to help pay for its $4.3bn investment in MCI of the US, its $750m investment in the managed network service Concert and some £600m invested in its strategic alliance with Viag of Germany.

The striking price is essentially identical to the market price and there was no surprise at the deal in the market yesterday.

Proteus 'needs more capital'

By Tim Burt

Shares in Proteus International fell 14p to 187p yesterday after the biotechnology company reported increased first-half losses and said it needed further capital to fund its drug development programme.

The company, which raised £10.4m from a rights issue last March, could run out of cash within a year if it fails to secure new funding.

Its so-called cash burn – the rate at which reserves are used to finance research and development – helped push up pre-tax losses from £2.73m to £3.67m in the six months to September 30, leaving it with £7.49m of cash remaining.

"We will need more funds, and there is a definite plan to raise additional sums during the coming year," said Mr Jurek Sikorski, chief executive.

Mr Sikorski, who was appointed last October with a mandate to cut costs and rationalise the group's product range, predicted that the fund raising would sustain the company until it became profitable. Although he did not rule out another rights issue, he said Proteus hoped to form partnerships with larger pharmaceuticals companies to offset its development costs.

SmithKline Beecham is considering whether to license NISV, the chemical compound which enhances vaccine effectiveness, while Medeva is helping it develop new delivery systems for hepatitis vaccines.

Proteus has reduced its work on animal treatments and restructured its R&D operations. That reorganisation helped slow the group's cash burn from £3.89m in the second half.

Mr Sikorski expressed optimism about the potential of the group's DNA-binding human therapeutic drugs – which target only disease-carrying genes – and anti-cancer treatments.

Losses per share were 11.94p (10.03p).

BAS drops float plans after low valuation

By James Whittington

BAS International Holdings, which supplies low-cost consumer goods, has dropped plans to float in early February after a disagreement with financial institutions over the company's valuation.

Mr Martin Abramson, chairman, said: "We pulled out because we didn't believe the valuation being offered matched our expectations".

Panmure Gordon, which was sponsor, said it was the first time they had postponed an issue at such a late stage.

"There's absolutely nothing wrong with the company, it's just that market conditions were against them," explained Ms Diana Darlington, a Panmure director.

The Manchester-based group published its pathfinder prospectus this week.

It had hoped to be valued at between £20m and £25m.

But analysts said the consensus figure was 15 to 20 per cent lower.

"BAS was looking for a p/e of around 13 but we thought they would be lucky to get single figures," one analyst said.

Other criticisms included disquiet over Mr Abramson's marketing approach.

One analyst said he thought the group's pricing was based more on the market conditions of the 1980s rather than the 1990s. "It was too razzmatazz," he said.

Mr Abramson, who owns 72 per cent of BAS, first floated his Ronald Martin Group, an office equipment company, for £6.8m in 1985. Three years later it was acquired by James Gulliver's Waverley Cameron for £29m.

Mr Abramson said he would consider trying to float BAS again "when the time is right".

Barings may cease to be a gilt-edged marketmaker

By Graham Bowley and Conner Middelmann

Barings, the UK merchant bank, said yesterday it would cease to be a gilt-edged marketmaker if the Bank of England's proposals for an open gilt repo market were implemented.

The introduction of an open market for gilt repurchase agreements, or repos, into the UK government bond market would allow market participants to take short positions by selling gilts they do not own. It is at the heart of proposals being considered by the Bank and the UK Treasury to reform the market.

Barings, which has been a gilt-edged marketmaker (Gemm) since 1986, said that until the proposals were implemented it would continue to operate as a marketmaker "at a reduced level, quoting two-way prices in gilt-edged securities on request and participating in gilt auctions".

Marketmakers are committed to quoting firm bid and offer prices, which can be costly in volatile markets. Many banks suffered last year from a sharp fall in bond prices.

Mr Graham Bird, a director, said currently only the gilt-edged marketmakers could go short of stock, but an open repo market would make this generally available, reducing the need to be a marketmaker. The bank would continue to trade in gilts.

Barings sterling bond market activity had been reduced over the past 18 months and a withdrawal from marketmaking could continue that process.

Of the 22 Gemms, six or seven dominate the market, accounting for about two thirds of business. According to one banker, Barings is one of the smaller players.

In a November consultative paper on an open gilt repo market, the Bank of England warned "it is possible that some Gemms might withdraw from marketmaking" because the "gilt repo would enable them to manage their gilt business without the need to maintain a commitment to continuous marketmaking".

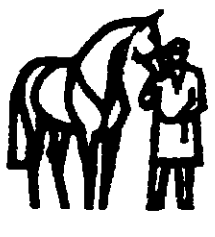
However, the Bank added: "It seems unlikely that a gilt repo would materially impair the core competitive marketmaking system, and additional marketmakers might be attracted."

While they can reduce their risks by ceasing to be a Gemm, banks also stand to lose benefits. "The principal reasons for being a Gemm – access to Bank of England dealing facilities, hedging of primary issues and the facilitation of fixed income derivatives business – will remain," argues Mr Danny Corrigan, head of repo trading at NatWest Markets.

"Firms that are dominant in gilt repos, with the resultant access to the information and business flows that brings, will be in a position to offer finer terms on clients' gilt business."

The Bank of England has asked for comments by Tuesday.

British Bloodstock Agency buy ahead



By James Whittington

The British Bloodstock Agency yesterday announced proposals for the purchase of a bloodstock agency and insurance service from Mr David Minton, a European thoroughbred dealer.

Mr Peter Bickmore, managing director, said the acquisition, involving the issue of about 280,000 new shares, would be rolled into the group's various horse management businesses and would especially benefit its position in the UK and the Irish Republic.

Mr Minton would become an executive director from April 1.

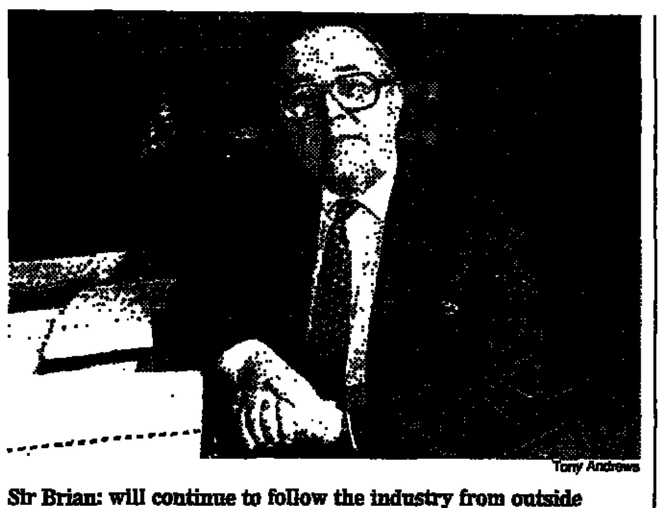
"His high profile in the UK and Ireland, especially in the National Hunt, will help us in the two areas where we are not very strong," Mr Bickmore said.

Mr Minton is best known for his purchase of Mysilv, the mare which last March won the Triumph Hurdle at Cheltenham. He bought the horse for 27,000 guineas as a three year-old flat runner and sold her a year later after the Triumph Hurdle for 155,000 guineas.

British Bloodstock also announced interim results to September 30, traditionally the quiet half of the season. Pre-tax losses narrowed marginally from £213,000 to £210,000 on sales of £1.81m (£1.76m).

Losses per share were 5.4p (5.5p).

Mr Christo Philipson, chairman, said losses from trading activities in the UK had halved over the period, but conditions in Ireland had become more difficult. He said these trends were likely to continue in the second half and expected full year figures to be little changed from last year.



Tony Andrews

Sir Brian: will continue to follow the industry from outside

Sir Brian Pearse severs link with Midland Bank

By John Gapper

Sir Brian Pearse, chairman of Lucas Industries, has severed his last formal connection with Midland Bank, of which he used to be chief executive, by stepping down from its board.

Sir Brian, who retired from Midland in March despite expectations that he would become chairman, said that he could no longer attend board meetings because of other commitments, including chairing the Housing Corporation.

Sir Brian, former finance director of Barclays, said it would be the first time since 1960 that he was not linked directly with a bank. He is still on the executive committee of the Chartered Institute of Bankers.

He said he had decided to step down because Midland's board meeting had been moved from Friday to midweek. That conflicted with his duties at Lucas, and a heavy travelling schedule visiting the company's plants. "Time moves on, and unfortunately I cannot do anything about it," said Sir Brian. He said the move was "quite a break," but that he would continue to follow the banking industry "with great industry" from outside.

Sir Brian is to be replaced on the Midland board by Mr Herb Jacobi, a Midland banker who is chairman of the managing partners of Trinkhaus & Burkhardt, a limited partnership bank in Germany which is 70 per cent owned by Midland.

Midland is a subsidiary of HSBC Holdings, and Sir Brian was succeeded as chief executive by Mr Keith Whitson, an HSBC executive. Both Midland and HSBC are now chaired by Sir William Purves.

NEWS DIGEST

Wholesale Fittings rises 48%

Wholesale Fittings, which distributes industrial and commercial electrical goods, lifted pre-tax profits by 48 per cent in the half year to October 31.

On turnover 14 per cent ahead at £39.3m (£34.5m) the pre-tax result came out at £1.52m (£1.03m). The interim dividend is held at 3.23p, payable from earnings of 7.18p (4.96p) per share.

Although trading conditions remained "highly competitive", directors said that sales so far were continuing to show an improvement.

J&J Dyson ahead

J&J Dyson, the Sheffield-based refractories group, reported pre-tax profits ahead 70 per cent at £682,918 in the six months to September 30, against £401,340.

The company, which also has interests in builders' merchants and the sale of motor vehicles, said all activities improved apart from the vehicles. However, there was continuing pressure on prices in the refractories market while raw material costs were rising.

Sales were £23.2m (£20.9m). Earnings per share were 3.46p (2.03p) and the interim dividend is held at 1.5p.

Gresham Telecomp

Gresham Telecomputing, the USM-quoted computer support services company, reported a 28 per cent rise in pre-tax profits for the year to October 31.

The company underwent a large reorganisation in April to focus on product marketing and sales.

On turnover of £6.51m (£5.82m), including £515,000 from an acquisition, profits were £708,000 (£551,000). Earnings per share were 1.32p (1.04p) and a single final dividend of 0.3p (0.27p) is proposed.

The company plans to move to the main market and change its name to Gresham Computing.

Cardiff Property

Pre-tax profits at Cardiff Property, the investment and development group, increased 73 per cent from £119,445 to £206,608 for the year to September 30.

Gross rental income edged ahead to £734,018 (£730,643).

Earnings per share rose 1.1p to 7.6p. A recommended final dividend of 1.75p gives a total for the year of 2.6p (2.5p).

Prism drops 9%

Prism Leisure Corporation, the USM-traded computer games reseller, announced a 9 per cent fall in interim profits, in line with the warning in July by Mr Geoff Young, chairman.

He added yesterday that trading during the "critical" Christmas period was "marginally below expectations" and with current trading "uneven" the full-year outcome was expected to fall short of last time's £1.85m.

The shares dipped 2p to 106p. They were trading as high as 183p last year.

Turnover for the six months to September 30 improved to £8.56m (£7.65m) but competitive pressure on margins in computer games and lower audio sales left pre-tax profits at £590,000 (£649,000).

Earnings per share emerged at 4.4p (4.9p); the interim dividend is maintained at 1.15p.

Partridge Fine Arts

A buoyant art market helped Partridge Fine Arts, the antiques dealer, to report a 58 per cent advance in pre-tax profits for the year to October 31, from £1.77m to £2.8m.

The outcome, achieved on turnover of £13.5m (£13.7m), was boosted by a £225,165 surplus from maturing endowment policies.

Earnings per share rose to 8.94p (5.54p); if the surplus on the policies had not arisen earnings would have been 7.92p. An increased final dividend of 1.9p makes a total of 3.3p (2.7p).

RESULTS

		Turnover (£m)		Pre-tax profit (£m)		EPS (p)		Dividends				
								Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
British B'dstock §	6 mths to Sept 30	1.81	(1.76)	0.21L	(0.213L)	5.4L	(5.5L)	-	-	-	-	-
Cardiff Property	Yr to Sept 30	0.734*	(0.730)	0.208	(0.119)	7.6	(6.5)	1.75	Mar 24	1.65	2.6	2.5
Dyson (J&J)	6 mths to Sept 30	23.2	(20.9)	0.68	(0.4)	3.46	(2.03)	1.5	Apr 3	1.5	-	3.5
Gresham Telecomp §	Yr to Oct 31	6.51	(5.82)	0.71	(0.55)	1.32	(1.04)	0.3	May 4	0.27	0.3	0.27
Partridge Fine Art	Yr to Oct 31	13.5	(13.7)	2.8	(1.77)	8.94	(5.54)	1.9	Apr 27	1.5	3.3	2.7
Prism Leisure §	6 mths to Sept 30	8.56	(7.65)	0.59	(0.649)	4.4	(4.9)	1.15	Mar 13	1.15	-	4.18
Proteus Int'l §	6 mths to Sept 30	-	(-)	3.67L	(2.73L)	11.94L	(10.03L)	-	-	-	-	-
Whitney M-Lewis §	6 mths to Oct 31	1.47	(1.3)	0.179L	(0.282L)	2.7L	(4.3L)	-	-	-	-	-
Wholesale Fittings	6 mths to Oct 31	39.3	(34.5)	1.52	(1.03)	7.18	(4.96)	3.23	Apr 7	3.23	-	11.7
Investment Trusts		NAV (p)		Net Earnings (£m)		EPS (p)		Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Continental Assets	Yr to Dec 31	217.6	(229.2)	0.584	(0.708)	2.67	(3.26)	3	Apr 14	3	3	3
Eng & Caledonian	6 mths to Dec 31	228.9	(231.6♠)	0.08	(0.149)	1.78	(3.32)	1.25	Apr 7	1.25	-	4
Gartmore American	9 mths to Dec 31	32.7	(41.9♥)	0.738	(0.866)	2	(2.34)	1†	Mar 24	1	-	4
Govett Emerging	6 mths to Dec 31	118.6	(143.5)	0.087	(0.056)	0.24	(0.23)	-	-	-	-	-
Malvern UK Index	Yr to Dec 31	137.11	(151.42)	1.97	(1.93)	4.07	(3.99)	2.4	Apr 21	2.3	4.1	4

Dividends shown net. Figures in brackets are for corresponding period. §USM stock. *Gross rental income. ♠As at June 30. ♥As at March 30. †Third interim; makes 3p to date.

Job losses confirmed by Willis Corroon

By Ralph Atkins, Insurance Correspondent

Willis Corroon, the insurance broker, yesterday confirmed it had cut about 200 jobs as part of the restructuring of its main businesses announced in November.

The group said the cuts had been mainly among back office rather than revenue producing staff. Slightly more than 100 jobs had been lost in the US with the remainder in the UK.

Willis has set a target of reducing costs by at least £30m a year – about 5 per cent of operating expenses – and will take an exceptional charge of £40m for 1994 to cover reorganisation and streamlining costs. About half of the charge is to pay redundancy expenses.

Analysts are estimating 1994 pre-tax profits, after the charge, of about £18m. News of the cuts helped assuage analysts' scepticism about the speed at which cost savings could be achieved but fears remained about the impact on staff morale.

Willis said it would give further details of where cost savings would be achieved when it announced full-year results on March 9. The group began the review of its business to correct an "unsatisfactory" profits performance and to identify areas of strength.

The jobs losses were "the start of the process", but it had no target for total numbers. Willis believes it can achieve most of the cost savings by trimming overheads.

EFT makes £9m buy

By James Buxton

EFT Group, the Glasgow-based asset finance company, is to expand into the consumer sector with the acquisition of Haydock Finance, which specialises in funding the purchase of secondhand cars.

The acquisition, for £9.02m in shares and cash, will add some £30m to EFT's annual volume of new leasing business, taking it to about £80m.

In the year to September 30, Haydock made pre-tax profits of £1.55m and had net tangible assets of £5.6m.

EFT is allotting 11.5m new shares to the owners of Haydock Finance at a price of 62½p. Allied Provincial Securities has placed 2m of the new shares on behalf of the vendors with institutional investors at 61p per share.

EFT is also paying £1.48m in cash and has an earn-out arrangement under which it will pay a maximum of £350,000 if Haydock's profits in the 15 months to December 31 1995 exceed £1.65m.

EFT expects pre-tax profits of £3.25m for the year to December 30 1994, with earnings per share of 6.4p, a 56 per cent increase. The company confirmed that it would pay a final dividend of 1.225p making a total of 1.75p, a 17 per cent increase.

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Copper prices in retreat

Base metals trading at the London Metal Exchange was nervous yesterday at the end of a week that saw copper prices retreat from 5¾-year highs and aluminium baulk at the $2,200-a-tonne barrier.

The three months delivery copper contract peaked at $3,078 a tonne at the end of last week and some traders thought it might be getting set for a test of resistance at $3,100, which, if it succeeded, might lead on to an attempt at the all-time high of $3,280.

Such speculations proved misplaced, however. After see-sawing in a fairly wide range, by Thursday the price was testing support at $3,000 a tonne.

LME WAREHOUSE STOCKS
(As at Thursday's close)
tonnes

Aluminium	−16,925	to 1,581,775
Aluminium alloy	unchgd	at 30,900
Copper	−75	to 310,125
Lead	−2,275	to 330,100
Nickel	−2,118	to 141,276
Zinc	+1,000	to 1,177,250
Tin	−255	to 27,690

Yesterday the support gave way and the price closed at $2,992.50, down $63 on the week.

Aluminium prices continued to rise during the first half of the week, touching a fresh 5¾-year peak of $2,194 a tonne, for three months metal, on Tuesday.

It was encouraged by another big fall in LME warehouse stocks and news from Norway that a meeting expected to take place next month between some of the world's biggest aluminium producing countries had been postpones because "the market looks positive and there are no problems to discuss for the time being".

The market was looking rather less positive by the end of the week, however. Despite hearing of further substantial stocks drawdown yesterday, sentiment became tarnished by copper's slide and the three months price closed yesterday at $2,139.50 a tonne, down $9 on the day and $4 on the week.

Other LME contracts also joined in the downtrend and only nickel finished higher on the week. The three months price closed at $10,055 a tonne, up $120 overall. That, however, was $445 below the 4½-year high reached on Thursday as sentiment was aided by news that Russia's Norilsk, the biggest producer, was not expected to raise exports in 1995.

Gold also disappointed this week. The expected attempt to break resistance at $385 a troy ounce came on Monday morning, but by the end of the day the London price had subsided to $382.10, down $2. The slide continued and yesterday the price broke through support at $380 an ounce to end at $378.35, down $5.75 on balance.

Traders explained that yesterday's $2.65 fall was largely due to the evaporation of option-related buying following the expiry in mid-afternoon of the January position on the over-the-counter options market. "When the option buying finished, the market's main support went with it," one told the Reuters news agency.

At the London Commodity Exchange robusta coffee futures extended losses yesterday with the March delivery position falling $58 to $2,795 a tonne, down $170 on the week. Traders said the London market, which was lightly traded and had little direction of its own, followed the weak New York arabicas market.

New York also dominated London's cocoa market. which struggled, successfully, to retain its foothold above $1,000 a tonne for nearby positions. After New York's wild gyrations in late trading on Thursday, most London traders decided to stand aside from a market that one said "no one understands any more".

Oil prices continued to languish below the $17-a-barrel mark as unseasonably mild weather continued in the US. After the second warmest November and December in 100 years forecast for the next week or two suggest that temperatures will not fall below seasonal averages.

Richard Mooney

WEEKLY PRICE CHANGES

	Latest prices	Change on week	Year ago	1994/5 High	1994/5 Low
Gold per troy oz.	$378.35	-5.75	$378.40	$396.50	$369.60
Silver per troy oz	299.55p	-7.20	335.50	384.50p	299.55p
Aluminium 99.7% (cash)	$2095.0	-11.5	$1220.0	$2106.5	$1107.50
Copper Grade A (cash)	$3002.5	-48	$1848.5	$3055.0	$1731.50
Lead (cash)	$674.0	-16	$506.5	$690.0	$426.0
Nickel (cash)	$10055	+120	$5715.0	$10160	$5210.0
Zinc SHG (cash)	$1150.5	-50	$997.5	$1208.5	$900.5
Tin (cash)	$6310.0	-160	$5207.0	$6470.0	$4730.0
Cocoa Futures May	£1003	-2	£915	£1124	£859
Coffee Futures Mar	$2965	-167	$1178	$4091	$1175
Sugar (LDP Raw)	$353.8	-7	$259.8	$368.8	$252.9
Barley Futures May	£106.15	-0.85	£103.4	£106.15	£92.65
Wheat Futures May	£111.60	+0.60	£99.9	£117.50	£97.80
Cotton Outlook A Index	98.50	+0.60	73.75c	98.50c	62.45c
Wool (64s Super)	512p	+10	364p	512p	342p
Oil (Brent Blend)	$16.43z	-0.45	$14.13	$18.61	$13.16

Per tonne unless otherwise stated. p Pence/kg. c Cents lb. z Mar

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	2094.5-5.5	2139-40
Previous	2107-8	2148-9
High/low		2163/2130
AM Official	2106-7	2151-1.5
Kerb close		2125-6
Open int.	228,499	
Total daily turnover	55,918	

■ ALUMINIUM ALLOY ($ per tonne)

	Cash	3 mths
Close	2030-40	2070-80
Previous	2010-15	2050-55
High/low		2080/2050
AM Official	2030-40	2080-85
Kerb close		2055-65
Open int.	2,747	
Total daily turnover	202	

■ LEAD ($ per tonne)

	Cash	3 mths
Close	673.5-4.5	690-1
Previous	676-7	693-3.5
High/low	679.5	700/691
AM Official	679-9.5	695-5.5
Kerb close		693-4
Open int.	39,814	
Total daily turnover	5,416	

■ NICKEL ($ per tonne)

	Cash	3 mths
Close	10050-60	10220-30
Previous	9960-70	10125-35
High/low	10080	10325/10200
AM Official	10080-85	10275-85
Kerb close		10210-20
Open int.	59,076	
Total daily turnover	16,524	

■ TIN ($ per tonne)

	Cash	3 mths
Close	6305-15	6405-10
Previous	6340-50	6435-40
High/low		6470/6370
AM Official	6295-300	6380-85
Kerb close		6385-90
Open int.	22,799	
Total daily turnover	3,689	

■ ZINC, special high grade ($ per tonne)

	Cash	3 mths
Close	1150-51	1177-8
Previous	1159-60	1186.5-7.5
High/low	1166	1198/1175
AM Official	1165.5-6.0	1193-4
Kerb close		1177-78
Open int.	100,746	
Total daily turnover	18,453	

■ COPPER, grade A ($ per tonne)

	Cash	3 mths
Close	3002-3	2992-3
Previous	3002.5-3.5	3000-1
High/low		3020/2979
AM Official	3007-8	2998-9
Kerb close		2992-3
Open int.	233,512	
Total daily turnover	52,244	

■ LME AM Official £/$ rate: 1.5898
LME Closing £/$ rate: 1.5940

Spot:1.5885 3 mths:1.5871 6 mths:1.5857 9 mths:1.5839

■ HIGH GRADE COPPER (COMEX)

	Close	Day's change	High	low	Open Int	Vol
Jan	140.30	-1.80	141.80	140.30	942	205
Feb	139.20	-1.55	140.00	139.25	1,374	127
Mar	138.20	-1.75	139.95	137.75	30,581	3,294
Apr	136.60	-1.65	137.00	136.70	1,025	80
May	134.50	-1.55	136.00	134.00	6,358	1,591
Jun	132.80	-1.45	132.70	132.70	591	30
Total					53,574	6,066

PRECIOUS METALS

■ LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (Troy oz.)	$ price	£ equiv.
Close	378.20-378.50	
Opening	380.90-381.30	
Morning fix	380.00	238.693
Afternoon fix	378.40	238.017
Day's High	380.50-381.00	
Day's Low	377.50-378.00	
Previous close	380.75-381.25	

Loco Ldn Mean Gold Lending Rates (Vs US$)
1 month ....4.40 6 months 5.58
2 months ....4.71 12 months 6.15
3 months 5.03

Silver Fix	p/troy oz.	US cts equiv.
Spot	299.55	476.40
3 months	303.95	482.95
6 months	309.35	491.15
1 year	321.75	509.50

Gold Coins	$ price	£ equiv.
Krugerrand	381-383	239-242
Maple Leaf	388.95-391.40	-
New Sovereign	88-91	55-58

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open Int	Vol.
Jan	376.8	-4.8	378.0	378.0	-	-
Feb	378.8	-4.9	380.5	375.0	34,949	25,508
Mar	377.8	-5.1	382.1	378.5	5	-
Apr	379.3	-5.1	383.3	377.3	43,925	19,371
Jun	382.8	-5.3	387.0	380.9	27,884	1,431
Aug	386.9	-5.3	391.0	387.3	15,571	330
Total					175,980	47,092

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open Int	Vol.
Apr	415.0	-5.6	420.0	412.7	17,216	1,377
Jul	418.8	-5.6	422.5	419.0	4,272	286
Oct	423.0	-5.6	425.5	425.5	1,124	20
Jan	428.7	-5.8	-	-	150	-
Total					22,787	1,711

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open Int	Vol.
Mar	157.75	-3.30	160.75	157.50	5,875	916
Jun	159.25	-3.20	162.00	158.75	1,692	271
Sep	160.25	-3.20	160.00	160.00	275	-
Dec	161.00	-3.20	-	-	52	12
Total					7,894	1,187

■ SILVER COMEX (100 Troy oz.; Cents/troy oz.)

	Sett price	Day's change	High	low	Open Int	Vol.
Jan	465.7	-12.1	483.5	463.5	-	-
Feb	465.7	-12.5	-	-	2	1
Mar	467.5	-12.0	477.5	465.0	84,181	8,749
May	472.9	-12.2	484.0	470.0	13,980	331
Jul	478.7	-12.4	488.5	478.5	7,849	36
Sep	484.5	-12.6	494.0	484.0	10,074	2
Total					131,046	9,180

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	Day's change	High	Low	Open Int	Vol
Mar	17.94	-0.30	18.24	17.91	103,715	32,274
Apr	17.84	-0.25	18.08	17.82	50,089	14,556
May	17.78	-0.21	17.95	17.78	24,083	6,692
Jun	17.73	-0.17	17.82	17.72	35,540	2,744
Jul	17.70	-0.13	17.81	17.70	16,458	2,068
Aug	17.65	-0.10	17.73	17.69	13,376	248
Total					378,453	82,928

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Open Int	Vol
Mar	16.38	-0.29	16.58	16.33	83,444	24,084
Apr	16.36	-0.21	16.51	16.32	34,098	15,821
May	16.36	-0.18	16.48	16.32	13,867	5,738
Jun	16.33	-0.13	16.45	16.33	11,158	1,990
Jul	16.29	-0.12	16.40	16.29	7,234	1,314
Aug	16.36	-0.08	16.38	16.35	4,345	250
Total					166,851	63,927

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open Int	Vol
Feb	46.65	-0.62	47.35	46.65	18,605	13,549
Mar	46.85	-0.60	47.50	46.75	36,984	16,224
Apr	47.15	-0.55	47.60	47.05	17,973	4,835
May	47.35	-0.40	47.70	47.35	8,939	2,627
Jun	47.60	-0.25	47.85	47.40	7,842	1,844
Jul	48.00	-0.10	48.10	48.00	8,183	598
Total					124,504	41,171

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Open Int	Vol
Feb	143.25	-1.25	144.25	143.00	39,953	5,528
Mar	145.00	-1.75	146.50	145.00	23,551	2,761
Apr	145.75	-2.00	147.50	146.00	15,678	937
May	146.00	-2.00	147.50	146.00	4,239	277
Jun	147.00	-1.50	147.75	147.00	8,777	283
Jul	148.75	-1.50	148.50	148.50	2,446	10
Total					182,879	9,786

■ NATURAL GAS NYMEX (10,000 mmBtu; $/mmBtu)

	Latest price	Day's change	High	Low	Open Int	Vol
Mar	1.382	-	1.409	1.378	29,733	10,708
Apr	1.405	-0.015	1.435	1.405	14,012	3,159
May	1.470	-0.003	1.485	1.465	11,409	907
Jun	1.520	-	1.525	1.520	10,111	658
Jul	1.558	-	1.564	1.560	10,852	616
Aug	1.580	-0.001	1.585	1.580	9,290	211
Total					148,183	23,223

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open Int	Vol
Feb	56.25	-1.19	57.30	55.95	10,874	12,672
Mar	54.95	-0.85	55.80	54.80	17,790	10,274
Apr	56.80	-0.82	57.40	56.80	14,154	5,463
May	56.45	-0.80	56.75	56.40	9,913	2,795
Jun	56.30	-0.55	56.65	56.30	4,046	1,743
Jul	55.90	-0.30	55.90	55.90	1,240	68
Total					82,972	33,174

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	109.70	+0.05	109.70	109.35	1,320	43
May	111.60	+0.10	111.60	111.50	1,986	26
Jul	112.85	-0.10	112.85	112.50	364	25
Sep	98.90	+0.20	98.70	98.50	126	9
Nov	99.95	+0.35	99.90	99.45	1,552	55
Jan	101.85	+0.50	101.25	101.25	199	-
Total					5,547	190

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	365/4	-0/2	367/4	363/4	38,864	11,529
May	354/2	+0/6	354/6	352/2	11,696	2,749
Jul	335/6	-0/4	337/2	334/4	18,709	3,343
Sep	340/2	-0/2	342/0	339/4	1,262	67
Dec	351/0	-1/2	353/0	350/4	757	106
Mar	355/0	-1/0	355/0	355/0	14	-
Total					69,328	17,795

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	232/2	-0/6	233/0	232/0	111,695	14,120
May	239/2	-0/6	240/0	239/0	66,014	4,860
Jul	244/2	-0/4	244/6	243/6	59,121	2,861
Sep	248/6	-0/4	249/4	248/6	9,414	574
Dec	253/2	-0/4	254/0	253/0	47,084	4,375
Mar	259/4	-0/6	260/2	258/4	5,680	151
Total					302,937	27,146

■ BARLEY LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	104.65	+0.25	104.50	104.50	280	5
May	106.15	+0.15	-	-	79	-
Sep	97.75	+0.40	97.50	97.50	50	2
Nov	99.35	+0.35	99.40	99.25	135	32
Jan	100.90	+0.40	100.80	100.75	10	-
Total					554	50

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	553/6	-	555/2	552/0	57,779	13,691
May	562/0	-	563/2	560/2	31,184	3,492
Jul	567/2	-0/4	569/6	565/6	29,562	3,207
Aug	570/0	-0/2	571/6	569/0	3,186	246
Sep	571/4	-1/6	572/4	570/0	2,614	29
Nov	580/4	-0/2	581/2	578/0	16,368	640
Total					142,218	21,740

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	26.93	+0.27	27.14	26.70	36,780	8,893
May	25.96	+0.26	26.09	25.75	23,625	4,515
Jul	25.44	+0.19	25.63	25.30	14,912	1,758
Aug	25.12	+0.15	25.20	25.05	4,227	317
Sep	24.80	+0.13	24.95	24.75	4,818	204
Oct	24.57	+0.07	24.60	24.52	5,390	148
Total					98,818	18,093

■ SOYABEAN MEAL CBT (100 tons; $/ton)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	158.4	-1.2	159.7	158.0	38,197	4,394
May	160.7	-1.1	161.6	160.3	21,776	2,320
Jul	164.7	-0.6	165.1	164.2	17,829	1,778
Aug	166.5	-0.7	167.1	166.1	5,497	85
Sep	168.3	-0.7	168.4	168.1	3,724	115
Oct	169.6	-0.8	170.1	169.7	6,933	7
Total					98,116	8,773

■ POTATOES LCE (£/tonne)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	357.3	+107.3	-	-	-	-
Apr	357.3	-1.7	362.5	355.0	1,057	90
May	375.0	-2.5	-	-	56	-
Jun	250.0	-	-	-	-	-
Total					1,118	90

■ FREIGHT (BIFFEX) LCE ($10/index point)

	Sett price	Day's change	High	Low	Open Int	Vol
Jan	1993	+5	1993	1985	762	2
Feb	1880	+10	1890	1860	386	153
Mar	1860	+6	1860	1850	249	19
Apr	1853	+18	1840	1835	1,431	12
Jul	1655	+21	1655	1635	488	29
Oct	1680	+5	1680	1670	380	24
Total					3,780	244

	Close	Prev
BFI	1983	1986

Spices

Trading conditions for pepper were again very quiet this week, reports Man Producten. In the Asian producing countries some selling pressure for black pepper developed resulting in lower asking prices for Lampong, whereas prices of Malabar from India remained fully steady. Other origins like Brazil, Sarawak and Vietnam were not active. Black pepper f.a.q. spot Europe traded at US$2,400 a tonne. Whites prices fluctuated within narrow limits. Muntok white f.a.q. was at $3,650 a tonne c.i.f. for January/February shipment. The volumes traded were limited and demand for nearby delivery positions negligible. Next week a number of source markets will be partly closed because of the Chinese new year. After this period we expect the selling pressure to diminish and prices to steady.

SOFTS

■ COCOA LCE (£/tonne)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	1000	-	1007	992	35,263	1,962
May	1003	-1	1009	995	18,828	892
Jul	1012	-7	1019	1011	10,102	216
Sep	1021	-7	1028	1024	15,425	29
Dec	1032	-6	1039	1031	13,724	732
Mar	1045	-6	1050	1043	11,633	233
Total					112,881	4,349

■ COCOA CSCE (10 tonnes; $/tonnes)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	1369	-5	1390	1350	29,221	11,568
May	1398	+1	1415	1380	18,710	3,428
Jul	1425	-22	1434	1410	9,571	1,179
Sep	1446	-22	1443	1438	2,741	68
Dec	1470	-22	1467	1460	4,507	20
Mar	1495	-22	1489	1483	5,909	5
Total					81,064	16,557

■ COCOA (ICCO) (SDR's/tonne)

Jan 27	Price	Prev. day
Daily	1021.39	1011.25

■ COFFEE LCE ($/tonne)

	Sett price	Day's change	High	Low	Open Int	Vol
Jan	2780	-40	2860	2790	107	71
Mar	2795	-55	2858	2780	12,934	2,236
May	2744	-51	2841	2745	8,898	1,084
Jul	2723	-45	2805	2740	2,746	115
Sep	2735	-18	2780	2780	2,984	13
Nov	2733	-2	2805	2800	773	10
Total					28,540	3,529

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	161.00	-6.00	167.75	161.00	14,703	7,612
May	162.50	-6.25	169.25	162.50	10,090	1,678
Jul	163.75	-5.80	169.75	163.75	4,326	492
Sep	164.25	-5.10	170.75	164.25	2,842	79
Dec	163.60	-5.05	170.20	163.80	3,130	43
Mar	162.50	+1.30	169.80	169.80	314	26
Total					35,482	9,929

■ COFFEE (ICO) (US cents/pound)

Jan 27	Price	Prev. day
Comp. daily	152.86	151.27
15 day average	153.28	153.36

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	14.60	-0.08	-	-	920	-
May	14.65	-0.02	-	-	860	-
Jul	14.40	-	-	-	300	-
Oct	13.53	-	-	-	-	-
Jan	11.95	-	-	-	-	-
Total					2,080	-

■ WHITE SUGAR LCE ($/tonne)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	400.7	+1.00	404.0	398.4	11,665	563
May	395.0	+0.60	397.5	393.0	7,715	1,067
Aug	381.3	+0.60	382.8	378.5	5,855	608
Oct	353.8	-0.40	355.5	352.5	2,231	30
Dec	350.3	-0.30	-	-	143	-
Mar	345.9	-0.40	-	-	450	-
Total					28,134	2,268

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	14.37	-0.09	14.58	14.30	55,779	12,321
May	14.34	-0.03	14.50	14.25	45,852	8,372
Jul	13.59	-0.03	13.72	13.47	30,886	3,679
Oct	13.02	-0.08	13.19	12.93	32,796	2,566
Mar	12.55	-0.12	12.72	12.52	8,335	661
May	12.48	-0.12	12.65	12.50	2,386	249
Total					178,808	28,896

■ COTTON NYCE (50,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	94.21	+1.03	94.25	92.90	26,724	7,167
May	91.85	+0.52	92.07	91.30	16,664	3,661
Jul	89.58	+0.33	89.80	89.20	12,104	2,078
Oct	80.52	+0.22	80.70	80.05	4,074	549
Dec	74.55	+0.45	74.75	74.05	13,600	1,366
Mar	75.55	+0.50	75.75	75.00	434	12
Total					73,866	14,833

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open Int	Vol
Mar	102.35	+1.00	106.00	102.00	19,033	1,411
May	106.10	+1.15	108.50	106.10	3,467	343
Jul	109.50	+1.30	110.50	109.25	967	47
Sep	112.85	+1.30	112.85	112.85	2,652	44
Nov	111.35	+1.20	-	-	2,031	36
Jan	112.25	+1.30	-	-	809	80
Total					29,050	3,372

VOLUME DATA

Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

Jan 27	Jan 26	month ago	year ago
2279.1	2279.0	2242.1	1722.1

■ CRB Futures (Base: 1967=100)

Jan 26	Jan 25	month ago	year ago
235.49	235.11	236.82	225.03

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open Int	Vol
Feb	74.375	-0.225	74.775	74.275	20,462	2,428
Apr	74.775	-0.075	74.850	74.625	40,578	3,408
Jun	68.375	-0.075	68.475	68.175	14,900	1,833
Aug	65.050	-0.125	65.200	64.900	5,483	204
Oct	65.800	-0.250	66.050	65.800	799	35
Dec	66.600	-0.100	66.675	66.600	442	11
Total					85,378	8,235

■ LIVE HOGS CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open Int	Vol
Feb	40.550	-0.450	41.275	40.375	8,179	2,028
Apr	40.475	-0.550	41.200	40.300	15,761	2,176
Jun	45.700	-0.600	46.350	45.600	7,630	1,258
Aug	44.825	-0.450	45.450	44.600	1,886	196
Oct	42.225	-0.225	42.500	42.050	2,009	311
Dec	42.675	-0.300	43.000	42.500	1,808	80
Total					38,058	6,096

■ PORK BELLIES CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open Int	Vol
Feb	43.550	-0.450	44.700	43.050	3,624	1,109
Mar	43.800	-0.575	45.200	43.500	3,377	913
May	44.750	-0.450	46.200	44.500	1,819	212
Jul	45.975	-0.525	46.800	45.550	1,264	108
Aug	43.600	-0.600	44.800	43.500	227	9
Feb	52.100	-	52.100	52.100	49	2
Total					10,360	2,352

LONDON TRADED OPTIONS

Strike price $ tonne	Calls		Puts	
■ ALUMINIUM (99.7%) LME	Apr	Jul	Apr	Jul
2000	181	235	50	95
2100	122	181	90	138
2150	98	158	115	163
■ COPPER (Grade A) LME	Apr	Jul	Apr	Jul
2900	166	127	65	145
2950	137	106	86	173
3000	111	88	109	204
■ COFFEE LCE	Mar	May	Mar	May
2700	146	215	48	171
2750	116	191	68	197
2800	89	172	91	228
■ COCOA LCE	Mar	May	Mar	May
950	56	79	6	26
975	37	64	12	38
1000	23	51	23	48
■ BRENT CRUDE IPE	Apr	Jul	Apr	Jul
1600	69	97	31	67
1650	44	73	57	93
1700	27	54	87	124

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Mar)		+or-
Dubai	$15.95-6.00z	-0.175
Brent Blend (dated)	$16.42-6.44	-0.28
Brent Blend (Mar)	$16.42-6.44	-0.23
W.T.I. (1pm est)	$17.91-7.93z	-0.36

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)		
Premium Gasoline	$162-164	-2
Gas Oil	$146-147	
Heavy Fuel Oil	$98-100	-2
Naphtha	$162-164	-0.5
Jet fuel	$159-161	-2
Diesel	$150-151	-0.5

Petroleum Argus. Tel. London (071) 359 8792

■ OTHER		
Gold (per troy oz)♣	$378.35	-2.65
Silver (per troy oz)♣	472.50c	-6.00
Platinum (per troy oz.)	$417.5	-1.5
Palladium (per troy oz.)	$157.9	+0.6
Copper (US prod.)	147.0c	+2.0
Lead (US prod.)	42.25c	
Tin (Kuala Lumpur)	15.90m	-0.22
Tin (New York)	294.5c	-1.0
Cattle (live weight)†	119.58p	-0.96*
Sheep (live weight)†♣	121.15p	+3.78*
Pigs (live weight)	84.02p	+2.34*
Lon. day sugar (raw)	$353.8	-0.4
Lon. day sugar (wte)	$402.0	-3.5
Tate & Lyle export	£335.0	-2.0
Barley (Eng. feed)	£110.5	
Maize (US No3 Yellow)	£141.0	
Wheat (US Dark North)	£165.0	
Rubber (Mar)♥	119.5p	+0.5
Rubber (Apr)♥	120.0p	+0.5
Rubber (KL RSS No1)u	450.5m	+1.5
Coconut Oil (Phil)§	$605.0y	
Palm Oil (Malay.)§	$640.0u	+5.0
Copra (Phil)§	$293.0y	-3.0
Soyabeans (US)	£166.0q	
Cotton Outlook'A' index	98.50c	+0.65
Wooltops (64s Super)	512p	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. t Mar. y Mar/Apr. u Feb q Jan/Mar ♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. ♣ Sheep (Live weight prices). * Change on week ☉ Prices are for previous day.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		9.000	09/04	92.5000	+0.910	10.24	10.42	10.24
Austria		7.500	01/05	99.2300	+0.330	7.61	7.69	7.68
Belgium		7.750	10/04	96.1100	+0.050	8.34	8.49	8.32
Canada *		9.000	12/04	97.9000	+0.300	9.33	9.63	9.05
Denmark		7.000	12/04	87.3700	+0.170	8.98	9.02	8.78
France	BTAN	8.000	05/98	101.0900	+0.050	7.59	7.60	7.27
	OAT	7.500	04/05	95.9500	+0.060	8.09	8.17	8.08
Germany Bund		7.375	01/05	98.7500	+0.300	7.41	7.52	7.51
Ireland		6.250	10/04	83.1500	+0.300	8.78†	8.78	7.75
Italy		8.500	08/04	80.6800	−0.030	11.96	12.01	11.91
Japan	No 119	4.800	06/99	103.9010	-	3.78	3.87	3.88
	No 164	4.100	12/03	96.4220	+0.090	4.67	4.70	4.60
Netherlands		7.250	10/04	97.7000	+0.250	7.58	7.68	7.64
Portugal		8.875	01/04	81.2000	−2.100	11.64	11.64	11.63
Spain		10.000	02/05	89.1400	−0.040	11.77	11.84	11.35
Sweden		6.000	02/05	70.5210	+0.330	11.00	11.00	10.92
UK Gilts		6.000	08/99	90-17	+7/32	8.56	8.62	8.48
		6.750	11/04	87-28	+12/32	8.61	8.68	8.50
		9.000	10/08	103-12	+18/32	8.58	8.65	8.48
US Treasury *		7.875	11/04	101-06	+17/32	7.70	7.79	7.80
		7.500	11/24	96-15	+23/32	7.81	7.86	8.14
ECU (French Govt)		6.000	04/04	84.3300	+0.260	8.51	8.63	8.60

London closing, *New York mid-day Yields: Local market standard.
† Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal Source: MMS International

US INTEREST RATES

Lunchtime

		Treasury Bills and Bond Yields			
Prime rate	8½	One month	5.13	Two year	7.35
Broker loan rate	8½	Two month	5.80	Three year	7.49
Fed.funds	5½	Three month	5.92	Five year	7.65
Fed.funds at intervention	-	Six month	6.47	10-year	7.69
		One year	6.83	30-year	7.79

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	111.24	111.42	+0.18	111.68	111.20	137,744	127,335
Jun	110.38	110.58	+0.20	110.74	110.38	2,714	5,402
Sep	109.70	109.90	+0.20	110.00	109.70	165	1,614

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	CALLS Feb	CALLS Mar	CALLS Jun	PUTS Feb	PUTS Mar	PUTS Jun
109	-	-	-	0.13	0.93	-
110	1.72	1.65	-	0.28	1.32	-
111	0.99	-	-	0.57	-	-
112	0.49	0.89	1.12	1.05	2.29	-
113	0.20	0.58	0.81	-	-	-

Est. vol. total, Calls 28,526 Puts 53,360 . Previous day's open int., Calls 178,179 Puts 177,548.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	90.38	90.51	+0.27	90.70	90.31	155257	202760
Jun	89.76	89.92	+0.27	90.00	89.76	331	5971

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	CALLS Mar	CALLS Apr	CALLS May	CALLS Jun	PUTS Mar	PUTS Apr	PUTS May	PUTS Jun
9050	0.57	0.53	0.70	0.86	0.56	1.11	1.28	1.44
9100	0.34	0.36	0.52	0.67	0.83	1.44	1.60	1.75
9150	0.19	0.24	0.38	0.51	1.18	1.82	1.96	2.09

Est. vol. total, Calls 29105 Puts 23104. Previous day's open int., Calls 183660 Puts 114547

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	99.65	99.73	+0.05	99.84	99.56	23737	55253
Jun	99.00	98.76	-0.07	99.00	98.70	270	442

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	CALLS Mar	CALLS Jun	PUTS Mar	PUTS Jun
9950	1.05	1.72	0.82	2.46
10000	0.80	1.49	1.07	2.73
10050	0.57	1.28	1.34	3.02

Est. vol. total, Calls 955 Puts 1340. Previous day's open int., Calls 24103 Puts 26237

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	84.30	84.13	-0.03	84.51	84.09	53,615	49,359
Jun	-	83.35	-	-	-	-	527

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	101-15	101-22	+0-13	101-31	101-14	59407	96467
Jun	101-26	101-22	+0-09	101-27	101-23	517	866

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	CALLS Mar	CALLS Jun	PUTS Mar	PUTS Jun
101	1-16	2-15	0-36	1-35
102	0-44	1-46	1-00	2-02
103	0-20	1-17	1-40	2-37

Est. vol. total, Calls 7997 Puts 4419. Previous day's open int., Calls 44522 Puts 48411

Ecu

■ ECU BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	81.20	81.42	+0.24	81.66	81.18	3,983	7,331
Jun	-	81.16	+0.24	-	-	-	-

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	100-01	100-22	+0-20	100-31	100-00	323,819	366,132
Jun	99-19	100-08	+0-20	100-13	99-19	2,020	27,897
Sep	99-22	100-00	+0-13	100-04	99-22	249	3,885

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Mar	108.43			108.54	108.42	2468	0
Jun	107.68			107.75	107.66	107	0

* LIFFE futures also traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

UK Gilts Price Indices	Fri Jan 27	Day's change %	Thu Jan 26	Accrued interest	xd adj yield
1 Up to 5 years 23	118.67	+0.23	118.39	1.46	1.40
2 5-15 years 22	139.64	+0.51	138.94	1.97	1.17
3 Over 15 years9	154.96	+0.66	153.95	0.76	2.83
4 Irredeemables 6	178.21	+0.88	176.65	2.40	0.00
5 All stocks 60	136.31	+0.45	135.70	1.62	1.51

Index-linked	Fri Jan 27	Day's change %	Thu Jan 26	Accrued interest	xd adj yield
6 Up to 5 years 2	189.26	+0.24	188.81	1.66	0.00
7 Over 5 years 11	173.72	+0.56	172.75	0.58	0.59
8 All stocks 13	174.42	+0.53	173.50	0.67	0.53

Yields	Low coupon yield Jan 27	Jan 26	Yr ago	High	Low	Medium coupon yield Jan 27	Jan 26	Yr ago	High	Low	High coupon yield Jan 27	Jan 26	Yr ago	High	Low
5 yrs	8.61	8.68	5.66	8.95 (20/9*)	5.57 (19/1*)	8.60	8.68	5.88	9.01 (20/9*)	5.82 (19/1*)	8.80	8.88	5.98	9.16 (20/9*)	5.91 (19/1*)
15 yrs	8.48	8.54	6.43	8.89 (20/9*)	6.30 (20/1*)	8.61	8.68	6.53	9.05 (20/9*)	6.39 (20/1*)	8.82	8.89	6.71	9.25 (20/9*)	6.63 (20/1*)
20 yrs	8.45	8.51	6.54	8.81 (20/9*)	6.41 (20/1*)	8.61	8.68	6.56	9.05 (20/9*)	6.42 (20/1*)	8.75	8.81	6.72	9.09 (20/9*)	6.65 (20/1*)
Irred.†	8.50	8.58	6.64	8.88 (20/9*)	6.52 (24/1*)										

Index-linked	Inflation rate 5% Jan 27	Jan 26	Yr ago	High	Low	Inflation rate 10% Jan 27	Jan 26	Yr ago	High	Low
Up to 5 yrs	3.90	3.99	2.24	4.17 (10/1)	2.13 (4/1*)	2.60	2.67	1.37	3.01 (11/11*)	1.19 (16/2*)
over 5 yrs	3.90	3.94	2.93	3.99 (21/6*)	2.88 (20/1*)	3.71	3.74	2.76	3.79 (21/6*)	2.79 (20/1*)

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.
Base values: UK Gilts Indices 31/12/75 = 100.00 and Index-Linked 30/4/82 = 100.00. * 1994 highs and lows.

FT FIXED INTEREST INDICES

	Jan 27	Jan 26	Jan 25	Jan 24	Jan 23	Yr ago	High*	Low*
Govt. Secs. (UK)	90.99	90.61	90.50	90.55	90.57	106.36	107.04	89.54
Fixed Interest	109.40	109.11	109.04	109.01	109.20	132.63	233.87	106.50

* for 1994/5. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed Interest high since compilation: 133.87 (21/1/94) , low 50.53 (3/1/75) . Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974.

GILT EDGED ACTIVITY INDICES

	Jan 26	Jan 25	Jan 24	Jan 23	Jan 20
Gilt Edged bargains	96.7	137.7	83.9	88.5	79.9
5-day average	96.1	92.8	83.9	84.5	85.3

UK GILTS PRICES

Notes	Yield Int	Yield Red	Price £	+ or −	1994/95 High	1994/95 Low
Shorts" (Lives up to Five Years)						
Exch 3pc Gas 1990-95	3.02	6.06	99¼	—	103¾	97¾
10¼pc 1995	10.08	6.70	101⅝	−¼	107⅞	101⅝
Treas 12¾pc 1995‡‡	12.20	6.83	104½	−⅛	113⅝	104½
14pc 1996	13.15	7.07	106⅝	—	117⅛	106⅝
15¼pc 1996‡‡	13.95	7.40	109⅜	—	121⅝	109⅜
Exch 13¼pc 1996‡‡	12.39	7.53	106⅞	—	117⅞	106⅞
Conversion 10pc 1996	9.67	7.90	103⅜	+⅛	112⅞	103⅛
Treas Cnv 7pc 1997‡‡	7.17	8.12	97⅝xd	+⅛	100⅝	96⅝
Treas 13¼pc 1997‡‡	12.12	8.05	109⅛	+⅛	121⅝	109¼
Exch 10½pc 1997	10.05	8.10	104⅜xd	+⅛	114⅛	104⅛
Treas 8¾pc 1997‡‡	8.66	8.31	101⅛xd	+⅛	110⅞	100⅞
Exch 15pc 1997	12.95	8.40	115⅞	+⅛	131⅞	115⅝
9¾pc 1998	9.44	8.49	103¼	+⅛	114⅞	102⅞
Treas 7¼pc 1998‡‡	7.50	8.47	96⅝	+⅛	109⅛	95⅝
Treas 6¾pc 1995-98‡‡	7.08	8.49	95⅛	+⅛	102	93⅞
14pc 1998-1	12.15	8.63	115⅛	+¼	131⅛	114⅞
Treas 15½pc '98‡‡	12.76	8.55	121⅝	+⅛	140⅛	121⅛
Exch 12pc 1998	10.84	8.64	110⅝	+⅛	125⅞	110⅛
Treas 9½pc 1999‡‡	9.22	8.57	103⅛	+⅛	118⅛	100⅝
Exch 12¼pc 1999	10.91	8.68	112⅛	+⅛	128⅛	111⅞
Treas 10½pc 1999	9.85	8.63	106⅝	+¼	121⅛	105⅞
Treas 6pc 1999‡‡	6.63	8.57	90½xd	+¼	101⅞	88⅞
Conversion 10¼pc 1999	9.66	8.65	106⅛	+¼	121⅞	104⅞
Treas Flg Rate 1999	-	-	99⅞	—	100⅛	99⅞
Five to Fifteen Years						
8pc 2000	8.27	8.55	97⅞	+⅛	99⅝	96
Conv 9pc 2000‡‡	8.86	8.60	101⅝xd	+¼	116⅛	99⅞
Treas 13pc 2000	10.99	8.71	118⅛	+⅛	136⅞	116⅞
10pc 2001	9.45	8.75	105⅞xd	+¼	122¼	103½
7pc 2001 ‡‡	7.84	8.65	91⅞	+⅛	106⅛	88⅞
9¾pc 2002	9.25	8.76	105⅞xd	+⅛	123⅛	102⅞
8pc 2003‡‡	8.33	8.67	96	+¼	113⅞	92⅞
10pc 2003	9.31	8.75	107⅜	+⅛	127⅛	104½
Treas 11½pc 2001-4	10.25	8.88	112⅛	+⅛	129⅞	109⅞
Funding 3½pc 1999-4	4.72	7.32	74⅛	+⅛	86⅛	69¾
Conversion 9½pc 2004	9.03	8.68	105⅛	+½	125⅛	101⅞
Treas 6¾pc 2004‡‡	7.68	8.59	87⅞	+⅛	105⅝	84⅞
8½pc 2005	8.55	8.58	99⅞	+⅛	100⅞	97
Conv 9½pc 2005	9.00	8.66	105⅝	+½	125½	102¼
Treas 12½pc 2003-5	10.30	8.94	121⅛	+½	143⅛	118⅛
7¾pc 2006‡‡	8.26	8.59	93⅞	+⅛	112⅞	90⅝
8pc 2002-6‡‡	8.39	8.63	95⅞	+⅛	111⅝	91⅞
Treas 11¾pc 2003-7	10.17	8.97	115⅛	+⅛	136⅛	112¾
Treas 8½pc 2007 ‡‡	8.56	8.58	99⅞	+⅛	119⅛	95⅞
13½pc 2004-8	10.58	8.96	127⅞	+⅛	151⅛	124⅞
Treas 9pc 2008 ‡‡	8.71	8.57	103⅜	+⅛	124⅞	99⅞
Treas 8pc 2009	8.39	8.58	95⅛	+⅛	116⅛	91⅞
Over Fifteen Years						
Treas 6 1/4pc 2010	7.72	8.45	80⅞	+½	98⅛	77⅞
Conv 9pc Ln 2011 ‡‡	8.65	8.54	104	+⅛	126⅞	100⅞
Treas 9pc 2012‡‡	8.64	8.53	104⅛xd	+⅛	127⅝	100⅝
Treas 5½pc 2008-12‡‡	7.40	8.29	74⅞	+½	93⅞	71¼
Treas 8pc 2013‡‡	8.38	8.48	95½	+⅛	117⅞	92
8pc 2015	-	8.41	95⅞	+⅛	99⅛	94⅞
7¾pc 2012-15‡‡	8.34	8.49	92⅞	+⅛	114¾	89⅛
Treas 8¾pc 2017‡‡	8.50	8.45	102⅞xd	+⅛	128¾	99⅛
Exch 12pc 2013-17	9.20	8.68	130⅞	+⅛	159½	126⅞
Undated						
Consols 4pc	8.68	-	46⅛xd	+⅛	59¾	44⅞
War Loan 3½pc‡‡	8.44	-	41⅞	+⅛	54⅞	39⅞
Conv 3½pc '61 Aft.	6.07	-	57⅝	—	71	55⅝
Treas 3pc '66 Aft.	8.66	-	34⅝	—	44⅝	33⅞
Consols 2½pc	8.47	-	29⅞	+⅛	36½	28⅛
Treas. 2½pc	8.62	-	29	+⅛	37⅝	27⅞

Notes	Yield (1)	Yield (2)	Price £	+ or −	1994/95 High	1994/95 Low
Index-Linked (b)						
2pc '96 (67.9)	2.33	3.93	202⅞	+⅛	203⅝	197⅞
4⅝pc '98‡‡ (135.6)	2.89	3.78	107⅞	+⅛	113⅛	106⅛
2½pc '01 (78.3)	3.46	3.90	166⅝	+½	176⅝	163½
2½pc '03 (78.8)	3.55	3.91	162⅞	+½	173⅝	159⅛
4⅜pc '04‡‡ (135.6)	3.55	3.88	108⅝	+½	118⅝	107⅛
2pc '06 (69.5)	3.62	3.88	169⅛	+⅛	184⅞	165⅛
2½pc '09 (78.8)	3.67	3.89	153	+⅛	168⅛	149⅝
2½pc '11 (74.6)	3.70	3.90	158⅛xd	+⅛	175⅝	154⅛
2½pc '13 (89.2)	3.71	3.89	130⅞xd	+⅛	148⅛	128⅛
2½pc '16 (81.6)	3.73	3.90	138⅝	+⅛	157⅛	134⅛
2½pc '20 (83.0)	3.76	3.90	132⅞	+⅛	152⅞	128½
2½pc '24‡‡ (97.7)	3.75	3.88	110⅛	+⅛	129⅛	106⅛
4⅛pc '30‡‡ (135.1)	3.78	3.91	109⅞	+⅛	128⅞	105⅞

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in February 1987. Conversion factor 3.945. RPI for May 1994: 144.7 and for December 1994: 146.0.

Other Fixed Interest

Notes	Yield Int	Yield Red	Price £	+ or −	1994/95 High	1994/95 Low
Asian Dev 10¼pc 2009	9.34	8.02	109⅞	—	138⅛	107⅛
B'ham 11½pc 2012	9.85	9.52	116¾	—	142	115
Ireland Cap 8½pc '10	8.72	-	97½	+⅛	118½	96¼
9pc Cap 1996	8.98	-	100¼	—	103½	99¾
13pc '97-2	12.08	-	107¾	+¼	115¾	106
Hydro Quebec 15pc 2011	10.70	9.97	140⅛	—	169⅞	137⅞
Leeds 13½pc 2006	10.63	-	127	—	149¼	125
Liverpool 3½pc Irred.	9.72	-	36	—	44¾	33¼
LCC 3pc '20 Aft.	9.38	-	32	—	40½	28¼
Manchester 11½pc 2007	10.09	9.60	114	—	136¾	111¼
Met. Wtr. 3pc 'B'	4.33	8.20	69¼	—	78	68½
N'wide Anglia 3⅞pc 2021	-	4.61	131½	—	150¾	129⅝
4⅝pc IL 2024	-	4.58	128¼	—	145¼	123⅝
Utd Mex States 16½pc 2008	13.81	-	119½	—	159½	119½

● 'Tap' stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds per £100 nominal of stock.

ECONOMIC DIARY – FORWARD EVENTS

TODAY: Maghreb countries foreign affairs ministers meet in Algiers.

TOMORROW: Nordic summit opens in Copenhagen.

MONDAY: Major British banking groups' mortgage lending (December. M0 figures (January-provisional). Second round of German metal sector wage talks.

TUESDAY: Chinese New Year. Overseas direct investment (1993). Farm (agricultural) income figures in the UK (1994). Economic trends (January). Monthly digest of statistics (January). Economic trends annual supplement (1995). US consumer confidence (January). FOMC meeting in Washington. Court in Luxembourg due to decide on compensation plans for BCCI creditors. First meeting of general council of the World Trade Organisation.

WEDNESDAY: Overseas travel and tourism (November). US leading indicators (December); NAPM (January); construction spending (December). Confidence vote for the new Italian government.

THURSDAY: UK official reserves (January). US new home sales (December). German government releases annual economic report. Presidents of Venezuela, Columbia, Ecuador, Peru, Bolivia and Panama are scheduled to hold a two-day meeting to discuss trade ties. Mr Kenneth Clarke, chancellor, and Mr Eddie George, governor of the Bank of England, hold monthly meeting. Mr Helmut Kohl, German president, and Mr Francois Mitterand, French president, meet to discuss European Union. Bundesbank council meets.

FRIDAY: G-7 meeting opens in Toronto (until February 4). Insolvency statistics (fourth quarter). Bankruptcy statistics (fourth quarter). Major British banking groups' quarterly analysis of lending (fourth quarter). Full monetary statistics (including bank and building society balance sheets, bill turnover statistics, lending secured on dwellings, official operations in the money market, sterling certificates of deposit, sterling commercial paper and credit business) (December). US unemployment data (January); factory orders (December).

FINANCIAL TIMES
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Seismology makes waves

Few doubt that the US Federal Reserve will signal another rise in short-term interest rates next week. Equally certain, in the light of the continuing buoyancy of the US economy, is that further increases will be necessary to bring growth in output back to a level that poses no inflationary threat.

The more difficult trick is to grasp the precise means by which this gradual squeeze will affect not only the US domestic economy but global markets. Why, for example, does the tightening of policy over the past year appear to have had a bigger impact on markets outside the US than on Wall Street itself, where equities remain relatively expensive?

One conventional answer is that a Fed-inspired liquidity squeeze is causing increased competition for funds between markets. Against that background, US money inevitably returns home; and the evacuation starts in those markets that are most obviously vulnerable.

The linkages that used to exist in world capital markets in the 19th century have been restored and spiced up with a heady admixture of computing and telecommunications power. Hence a fall of more than half, in dollar terms, in the Mexican equity market since the peso collapsed before Christmas, while the rest of Latin America has witnessed a growing drain of foreign portfolio funds.

This week it was Tokyo's turn to experience the problems of linkage. On Monday, a delayed wave of pessimism about the economic consequences of the Kobe earthquake prompted a financial aftershock. As US and other foreign investors turned tail, the Nikkei index collapsed 5.6 per cent in a day.

At the risk of mixing metaphors, it is not difficult to use this panicky behaviour as the basis for a financial domino theory. Yet there may be a simpler explanation for the outflows – namely, that all the panics so far have been no more than unrelated reactions to particular events.

Investors' concerns

The problems of the Mexican market are not obviously the response of investors chasing higher returns at home or liquidating stock to meet increased dollar borrowing costs. Instead, they reflect understandable concern on the part of mutual funds and other investors about the devaluation of the peso and an unsustainable Mexican current account deficit.

If US monetary policy were the cause of the trouble, the panic would surely have happened earlier. An obvious trigger would have been the Fed's three quarter point rate increase in November.

As for Japan, there are fundamental reasons for worrying about Tokyo equities if a big fiscal package is required to finance the reconstruction of the city of Kobe. Upward pressure on bond yields will cast a cloud over equity market valuations. It is too soon to judge whether the market has over-reacted; but Monday's fall could hardly be explained away by events in the US.

One disturbing conclusion from this might be that US monetary policy has hardly started to have its impact on the global equity markets. Is there a risk that the widespread assumption that US short rates will rise to 7-7½ per cent by the end of this year is an under-estimate, and that it will take a great deal more to restrain the momentum of the economy?

Growth rate

The difficulty here is that the structure of the US economy and of the banking system has changed so much in recent years that it is impossible to gauge with any certainty their sensitivity to interest rate increases. Nor is it easy for a central banker to judge the long run potential growth rate of the economy.

Before the Senate finance committee this week, Fed chairman Alan Greenspan implied that this had risen, after the extensive industrial restructuring of recent years. Yet he was careful to emphasise that the rise in labour and factory utilisation rates over the past year meant that the rate of increase in potential was 'appreciably below' the four per cent growth rate of 1994.

The recent history of the English-speaking countries of the OECD area suggests that with liberalised financial markets, indebted consumers respond in an unpredictable manner to increases in interest rates. It was, in fact, a combination of credit problems in banking and the onset of the Gulf War that finally precipitated the slowdown in the US at the start of the decade. Yet there is also good news here, in that central banks have been raising rates while headline inflation has continued to fall.

The message for investors is mixed. But the comparison with the 19th century world of free capital flows is instructive. Then the gold standard acted as a powerful stabilising influence in cross-border investment. For the British who invested in colonial economies, political risk was low. Companies investing in the developing economies of the Americas and the British empire also had the advantage of good legal systems with clearly defined property rights. For all that, large fortunes were lost: not much comfort for today's investor.

Martin Dickson asks if top UK executives are being unfairly criticised over pay

Financial fat cats or tigers

A sense of resentment, frustration and irritation is growing in the ranks of one of Britain's most important teams.

No, it is not the much-pilloried English cricket squad, fighting this weekend to restore a modicum of self-respect in the fourth test against Australia.

Nor is it Manchester United football club, as it tries to come to terms with this week's extraordinary assault on a match spectator by star forward Eric Cantona.

The team in question is made up of the nation's leading businessmen, many of whom feel under increasing and unfair attack from politicians, the media, and government regulators.

They stand accused by Labour politicians and much of the press of earning obscene and undeserved amounts of money. Tabloid journalists stake out their homes, seeking evidence of "fat cat" excess with which to titillate readers.

And new regulation – be it tighter controls on the financial services industry or the Cadbury code which deals with the composition of company boards – is occupying more and more of executives' time.

"They used to think they were going in to bat for England. Suddenly they find they're the bad guys," says one leading City corporate adviser.

"There's no doubt about it. Directors are feeling beleaguered," adds Mr Tim Melville-Ross, director general of the Institute of Directors.

A gut reaction to statements like this might be that directors are paid large sums of money precisely *because* they face onerous public and business pressures, and therefore do not deserve sympathy.

Yet their mood, and the way they are perceived by public opinion, matters a very great deal: if chief executives become demotivated by constant sniping, or fail to attract the best talent to sit on their boards, Britain's industrial competitiveness will be diminished.

The pressures they face have been vividly underscored by two events this week.

On Monday Mr Mick Newmarch, chief executive of Prudential, the country's largest life insurer, resigned abruptly as the company disclosed that the Stock Exchange was examining his controversial dealings in Prudential shares.

It is not clear how large a role this inquiry played in his decision, but the Prudential insists that he quit because of mounting frustration and anger at the burden imposed on life insurance companies by heavier regulation.

On Tuesday, Mr Cedric Brown, chief executive of British Gas, spent more than an hour being grilled by a committee of MPs, arguing his recent 28 per cent pay rise, to a salary of £475,000, was fully justified.

The Labour party used the occasion to launch a broadside on pay for top executives of privatised companies – "million-pound handouts," in its phrase – and to demand more government regulation of executives' salaries and perks.

It is hardly surprising that the issue of executive pay has become the main battleground over the two over-simplified images of the British businessman: fat cat, whose propensity to raid the cream carton needs to be curbed; or tigerish entrepreneur, whose efforts to maintain Britain's place in the world need constant encouragement. For there are few more interesting subjects than the contents of another person's pay packet, and Britain has an obsession with it unmatched in other leading Western nations.


(Clockwise from right) Mick Newmarch, Lord Sheppard, Tim Melville-Ross, Sir Richard Greenbury, Cedric Brown

Executive pay is not a big issue in France or Germany – partly because little is revealed about top salaries. In the US, pay does generate controversy from time to time but the sums involved are so great they make Mr Brown's salary look like small change, and the national culture is far more sympathetic to high rewards for business achievement than is Britain's.

Several British chief executives who contributed views to this article – anonymously, lest they be accused of whingeing – spoke bitterly of the country's "culture of envy," summed up in the old joke about the Englishman and the American who see a businessman riding past in a Rolls-Royce: the American is spurred to work harder, in the hope of emulating the entrepreneur; the Englishman tries to drag him from the vehicle. Executive pay has been particularly controversial in Britain since the early 1980s, when UK companies began emulating American ones by offering their top people performance-based bonus and share option schemes which could greatly increase their pay packets.

But over the past year or two the debate has become extremely acrimonious, for reasons political, economic and of corporate Britain's own making.

The most opprobrium has been heaped on the large pay increases awarded to the directors of privatised companies - of which Britain has a uniquely large number – as they have moved from the public sector to the private.

Even executives at some of Britain's biggest companies are critical of the salaries awarded to the directors of certain utilities, such as water and electricity distribution, which remain essentially monopolies. "The utilities have screwed it up for everyone," complains one.

Still, there are examples of regular British industrial companies paying salaries which seem hard to justify on grounds of performance.

And quoted companies in general are laying themselves more open to criticism – justified or not – by the laudable policy of being more forthcoming about their pay.

For example, Grand Metropolitan, the food and drinks group, this week published an annual report with five pages detailing directors' pay. It disclosed that Lord Sheppard, the chairman, received £1.34m in 1993-94, including a £95,056 payment from phantom share options, a bonus scheme based on relative share price performance.

But the intensity of the pay debate also seems due in part to a backlash in public sentiment against the free-wheeling capitalism that marked the Thatcherite 1980s – a shift prompted by the recession of the early 1990s and reinforced by the lack of a "feel-good" factor in the current recovery.

Repeated rounds of white collar job cuts have frightened many middle class wage earners. So too have predictions that technological change and global competition mean job security is a thing of the past. Both have fostered resentment of those still earning large salaries for "downsizing" their companies.

It is hardly surprising, then, that the Labour party has pounced on executive pay, and linked it to "Tory sleaze," as a potential vote getter ahead of the next general election.

In the US, Democratic party hopefuls in 1992 presidential election also tried to attract voters with attacks on "boardroom greed," but this being America the issue had little impact on the campaign.

With up to two years to go to the next UK election, many top businessmen are concerned that the issue will rumble on and have a subtle yet corrosive effect on the country's economic performance.

They argue that, whatever the rights and wrongs of individual pay packages, Britain's leading multinationals are competing in a small international pool for senior managers and their renumeration must reflect this.

Mr Neville Bain, New Zealand-born chief executive of Coats Viyella, Britain's largest textiles group, stresses that a balance needs to be struck: businessmen need to be more sensitive to public interests, but "if we continue to brutalise our total stock of management with misplaced criticism for high rewards *per se*, internationally mobile managers will vote with their feet, to the detriment of British industry."

Another chief executive argues that the "obsession" with executive pay will encourages executives to switch companies, since they can start at the new one with a fresh salary slate, avoiding embarrassing annual comparisons.

Many say that the pay controversy, coupled with the somewhat adversarial role demanded of non-executives by Cadbury, will make it harder to attract high quality outside directors and non-executive chairmen, while even senior staff might be put off joining the board.

Sir Ronnie Hampel, chief executive of ICI, stresses the company's "very high quality non-executives played a vital role in testing our ideas before we demerged Zeneca (the pharmaceuticals company)."

Many also argue that the time taken handling pay and regulatory issues is starting to affect executives' ability to perform their jobs. "We're making UK Limited less and less competitive," complains one senior industrialist.

However, to counter what many complain is a lack of balance in the pay debate – a failure to recognise the hard work and vital national importance of British industrialists – UK Limited is starting to take some initiatives of its own. For example, the Institute of Directors this week published its guidelines on pay, calling for detailed explanation of pay levels and awards, including notification of any recent changes in pay packages when companies report half-year figures.

The Confederation of British Industry has also just set up a committee, to be chaired by Sir Richard Greenbury, chairman of Marks and Spencer, which will design a code of practice on executive pay. But it could suffer from a credibility problem, since its members include some of Britain's most senior and best paid businessmen, albeit together with representatives of the institutional investment industry.

Whatever its conclusions, it is hard to see the Greenbury committee dispelling what some observers regard as a much deeper cultural phenomenon behind the ferocity of the pay debate – a fundamental British hostility to industry.

Chief executives point out with some bitterness that the British public is more accepting of high rewards for pop stars and sportsmen than for businessmen. Indeed, the thuggish Mr Cantona is said to earn more than £500,000, much more than Mr Cedric Brown.

Top City lawyers and merchant bankers often earn more than the executives of the companies they advise. Lack of criticism of their pay is due partly to fact that they work for partnerships, or privately owned business, and their renumeration is not open to public scrutiny.

But some observers believe a double standard is also at work which they trace back to the aristocratic system, complete with its monarch and retinue of land-holders dating from the Norman conquest. According to this theory, trade and manufacturing are inferior to landholding and the professions. Whether or not there is an element of truth in this theory, the onus remains on Britain's top executives to demonstrate to shareholders and employees just why they deserve their pay packets. Frustrated and irritable they may feel, but they have also got a lot of explaining to do.

MAN IN THE NEWS: ***James Molyneaux***

A pivot in the peace process

The spring was back in Mr James Molyneaux's step this week as he received callers in his spartan Westminster office. His hour-long meeting with Mr John Major, the prime minister, on Monday had evidently gone well.

These *têtes-à-têtes* are symbolic of the new power enjoyed by the 74-year-old Ulster Unionist leader as the UK and Irish governments have struggled over the past 18 months to forge a political settlement in Northern Ireland.

Mr Molyneaux is a pivotal figure in the UK-Irish attempts to bring lasting peace to the province. As leader – since 1979 – of Ulster's largest political party, no settlement is likely to stick without the backing of this leading voice of moderate unionism. His acquiescence in the peace process to date has been vital to its credibility.

Monday's meeting with Mr Major, their first since before Christmas, is likely to have been among their most robust, however. Neither side is saying what happened. But it is safe to assume Mr Molyneaux repeated and amplified the message he delivered to radio listeners in the province last weekend – that provisions for all-Ireland bodies, believed to be included in the UK-Irish proposals, would be unworkable and result in disaster and chaos.

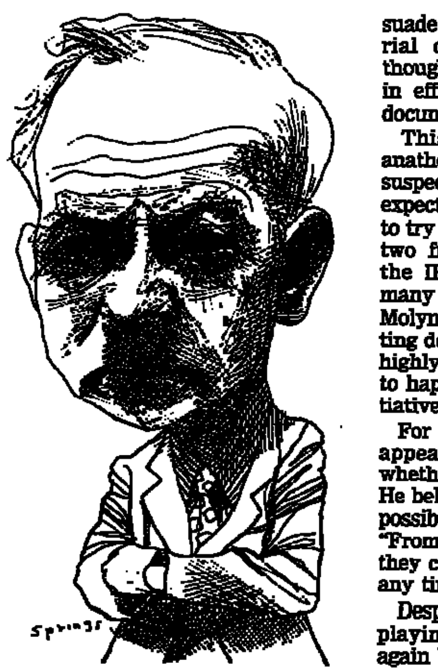
It is too early to say whether the UUP leader was given an assurance that his concerns were baseless. But reports that no north-south body will, under draft proposals, be able to use executive powers without the agreement of a proposed Ulster assembly suggest his worst fears will not be realised.

A spry, dedicated Orangeman of the old school, Mr Molyneaux lacks the high profile of other prominent Ulster figures such as Mr Gerry Adams, president of Sinn Féin, the IRA's political wing, and Rev Ian Paisley, the hardline Democratic Unionist leader. His speeches are laboured and infrequent, if studded with the occasional telling phrase. He makes little effort to cultivate the media, dealing with journalists with courtesy yet leaving them in no doubt he would rather devote the time to more pressing matters such as his constituency workload.

Part of the reason for his strength is the precariousness of Mr Major's own position, made worse since the departure last month from the parliamentary party of nine rebel Tory Eurosceptics. This has left the government with a technical minority in the House of Commons. When it cannot count on its rebels, it is dependent on the support of one of the smaller parties – in practice the UUP – to avoid defeat.

Over the past 18 months, the nine UUP MPs have generally obliged. But the government's predicament has prompted fears that Mr Molyneaux's party might try to use its leverage to secure concessions in the much-delayed joint framework document that will set out the two governments' settlement proposals. While Mr Molyneaux does not have the power to dictate the contents of an overall settlement, he has an effective veto over elements he regards as beyond the pale.

Judging by his comments this week, almost any all-Ireland institution would fall into this category. When asked whether any cross-border institution could be set up in a way he would find acceptable, he replied that he thought it would be difficult. He added that he thought it would be difficult to see any practical value in such an institution to either side.



"There is no point in having something just for sheer window-dressing," he says. "There could be discussions on, say, the export of live animals, but you don't need a structure in order to do that."

Mr Molyneaux commended the proposals on north-south relations submitted to the government seven years ago by him and Mr Paisley. These suggested ad hoc meetings between Irish ministers and Northern Ireland representatives, plus an external affairs committee, drawn in proportion to party strengths in an envisaged Ulster assembly, to oversee matters of "mutual advantage and common concern".

Mr Molyneaux has often urged the government to confine its ambitions in the present initiative to establishing devolved government in Northern Ireland rather than pressing for an overall settlement embracing relations between Ulster and Dublin as well as between the UK and the Republic of Ireland. He has also warned that efforts to persuade Dublin to remove its territorial claim over the province – thought to remain a sticking-point in efforts to agree the framework document – were probably doomed.

This minimalist approach is anathema to most nationalists, who suspect unionists would use their expected majority in any assembly to try to block progress on the other two fronts. And five months into the IRA ceasefire, there are still many who find the prospect of Mr Molyneaux and his colleagues sitting down at a table with Mr Adams highly implausible. Yet this needs to happen if the UK-Irish peace initiative is to succeed.

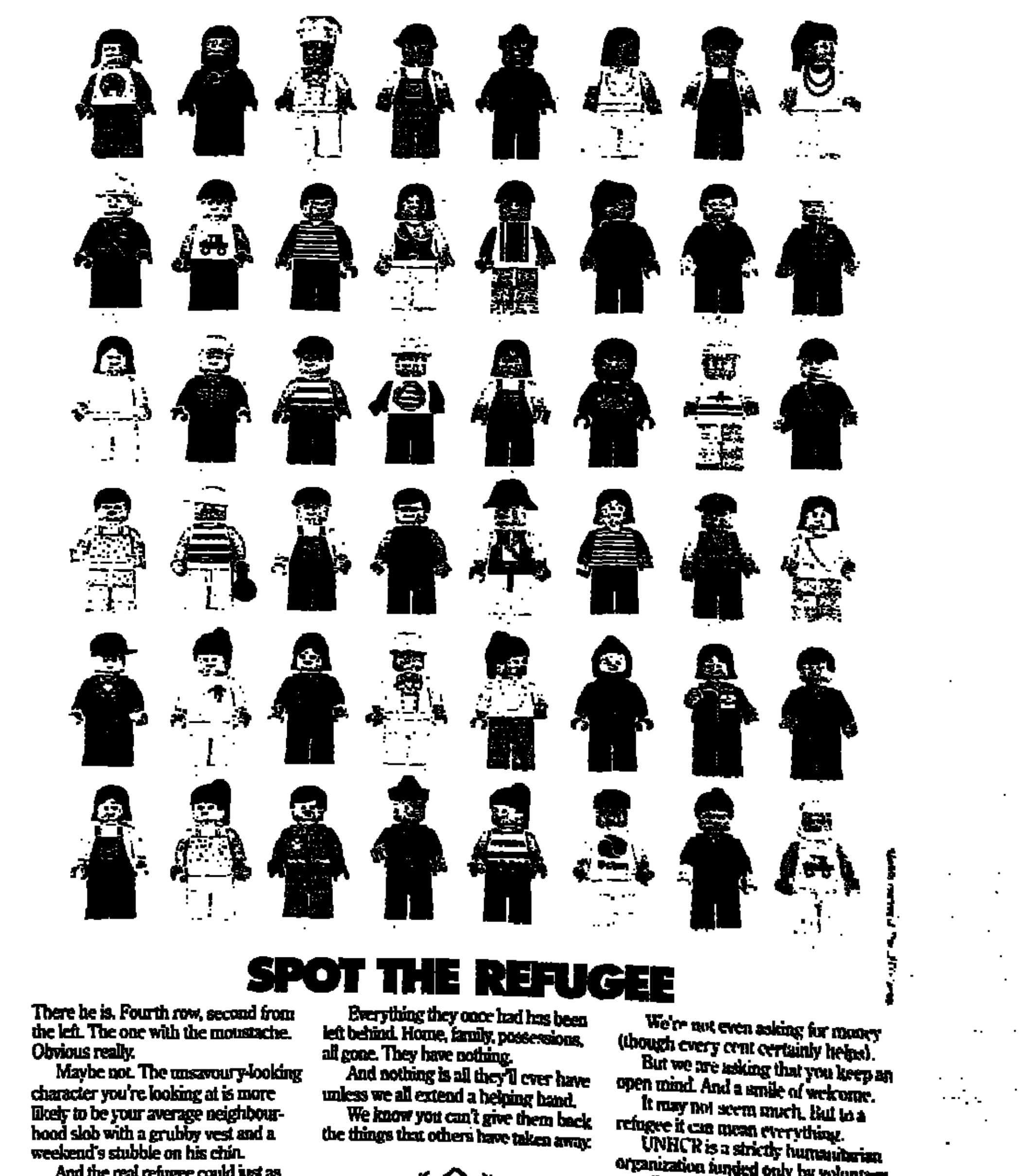
For the moment, Mr Molyneaux appears more concerned about whether the IRA ceasefire will hold. He believes the paramilitaries could possibly "let fly again" by Easter. "From an operational point of view they could turn on the tap again at any time."

Despite the skill with which he is playing his hand, questions are again being raised about his leadership. Some colleagues appear to believe he should exploit his leverage over Mr Major more aggressively. He has proved adept at seeing off such challenges in his 16 years at the party's helm. Yet there is now widespread acceptance that his leadership days are numbered – if only because of his age.

Retirement appears far from his mind at present, however. Challenged on the subject, he quoted Mr Enoch Powell, the former Conservative minister and passionate integrationist whom he was instrumental in persuading to stand as a Unionist candidate in 1974.

"As Enoch would have said... you have to decide whether it is morally correct to walk away and leave a loaded gun on the table." He paused. "By that I didn't mean in the literal sense." The spring in his step was again in evidence as he ushered his callers out of the door.

**David Owen
and John Kampfner**



Victim in struggle to evolve

Roderick Oram explains why Kingfisher, the UK retailer, is no longer the success story it once was

The boardroom mascot of Kingfisher, the troubled retail chain, offers a metaphor for the state of the company. The stuffed kingfisher in a glass case is neglected and bedraggled, its feathers dusty and ruffled.

Neglect is showing up throughout Kingfisher from small decorative details at its London headquarters to strategy and operations. The damage runs from losses in one important division to a halved share price and slipping company morale.

Over recent weeks the non-executive directors had met frequently to discuss the origins and remedy of the malaise, a paralysis that had gripped senior management, one executive said yesterday. Their debate intensified since the company issued a dismal trading statement 10 days ago.

Kingfisher was once the celebrated British retail success story of the 1980s. It rejuvenated Woolworths after a management buyout, and seized leadership of the *do-it-yourself (building and home improvement hardware)* market, with its B&Q superstore chain. It later added Comet, the UK electrical retailer and, more recently, Darty, its French equivalent.

But in the 1990s, Kingfisher is struggling to adapt to new competition and a world of stagnant prices. It now appears less likely that its disparate businesses can live happily under one roof. Comet is quite different from B&Q, while Woolworths no longer has a clear role in the high street.

Resolving the group's difficulties will be achieved in one of two ways: either management will keep the group intact and find ways to revive its performance; or the group will be broken up, with other retailers taking on some or all the assets.

There would be little difficulty in following the latter course, given the problems other retailers are having in winning planning permission for new stores. With excess sales capacity and margin pressure facing all retailers, building market share by acquisition could be the trend of the 1990s. J. Sainsbury's purchase of Ladbroke's DIY stores and Tesco's of Wm Low, the Scottish supermarket chain, are two recent examples.

The management team that built Kingfisher by putting together these different businesses may have been ill-prepared for this new environment. Moreover there was conflict between this old guard and the new guard recently brought in to inject new ideas.

To resolve the conflict, the board had to choose between two men, and took less than an hour to do so on Thursday. On one hand was Sir Geoff Mulcahy, the executive chairman who had been chief executive between 1986 and 1993. He had joined the management team shortly after the 1982 £310m buyout of the UK arm of Woolworths from its US parent.

On the other was Alan Smith, who joined Kingfisher as chief executive less than two years ago after a long career at Marks and Spencer, the preeminent UK retailer. "At best, he's been no more than a chief operating officer because Sir Geoff wouldn't let go," one shareholder said yesterday.

The management will either keep the group intact and revive its performance; or it will break the group up

The surprise to some shareholders yesterday was the board's choice of Sir Geoff. The board was turning back to the old management which had already failed to address the group's long-standing problems. These include Comet's loss of leadership in electrical retailing and Woolworths' failure to find a distinctive range of products to compete with the growing band of specialist retailers.

Moreover, the old management and board bear responsibility for a range of decisions they have subsequently regretted or failed to implement. These include the "every-day low pricing" marketing approach which failed to convince consumers, and underinvestment, particularly in Woolworths.

It was also their decisions that had brought in outsiders such as Mr Smith and Mr James Kerr-Muir, the finance director, both of whom are now to leave the company. Transplanted executives often suffer "tissue rejection", particularly those like Mr Smith coming from the idiosyncratic world of M&S. But in Kingfisher's case there is also the question of whether the original buyout team can adapt to new ideas promoted by others.

When the board picked Mr Smith two years ago, the idea was Sir Geoff should concentrate on strategy and leave the executive role to the man from M&S. Sir Nigel Mobbs, Kingfisher's acting chairman, said this split was influenced by the Cadbury code of corporate governance. However, people inside the company said yesterday that the laudable theory was impractical given the personalities and experience of the two men.

Sir Geoff joined Kingfisher as finance director after a career in oil, engineering and sugar. He works long hours and is completely committed to the company. Known for his low-key manner, he is shy with a self-deprecating sense of humour. His knighthood in 1993 for services to retailing was "a team effort" he said at the time.

Credited for great strategic thinking in the 1980s, Sir Geoff seemed to be ahead of other retailers at the onset of the recession by introducing everyday low pricing. But shaky implementation meant this approach has failed to yield the expected profits or clear market position.

He is also famously slow for making decisions. Having decided to move into electrical retailing on the Continent, Kingfisher took four years to buy Darty. Although this French base is supposed to be the springboard for a European expansion, nothing further has happened.

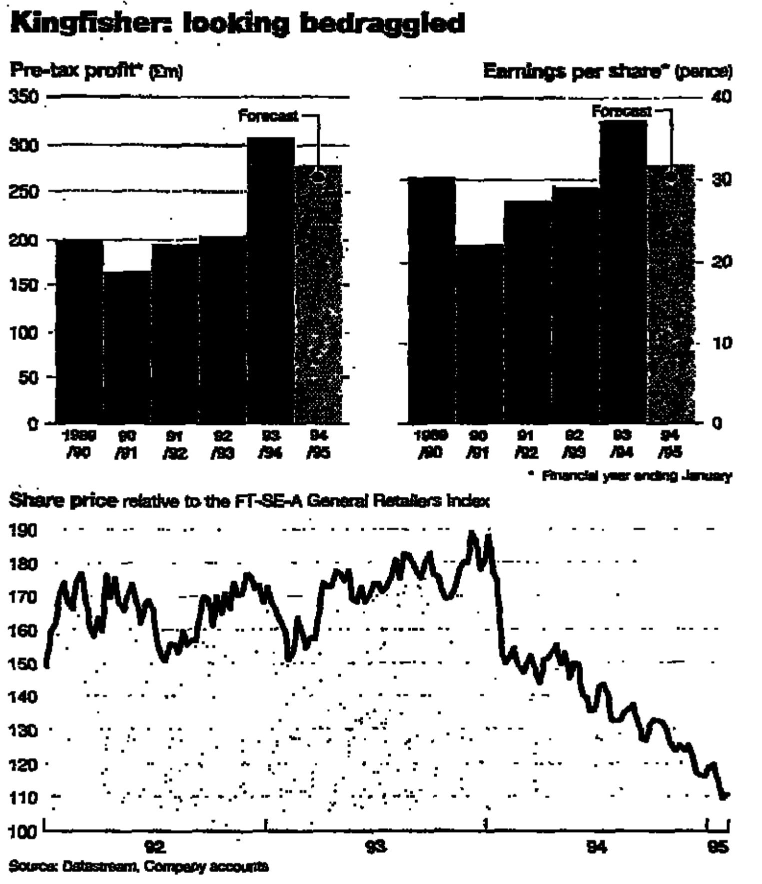
Smith's career had also had some notable adventures. He, for example, led M&S's hugely expensive purchase of Brooks Brothers, the US clothing retailer which took a lot of time and money to sort out. His reputation is for designing retailing systems, but in his short tenure at Kingfisher he was either unable to adapt his knowledge to the company or was given insufficient opportunity under Sir Geoff to do so.

The worrying question some shareholders asked yesterday was whether either was the right man to take Kingfisher on from here, given Sir Geoff's recent track record and Smith's skills.

Recalling a discussion with senior Kingfisher management a month ago, an institutional shareholder said yesterday: "I didn't leave the meeting feeling there was a clearly articulated way for dealing with the difficulties".

As another institutional shareholder said yesterday: "Geoff's neck's on the block. He's got to perform and at best he's got only 18 months to do so."

Kingfisher: looking bedraggled



Source: Datastream, Company accounts

Nikki Tait on an Australian industry that is bouncing back

A taste for kangaroo

At Riberries, a Sydney eaterie specialising in Australian food, there is no question about the menu's top seller. "The majority of people choose the kangaroo," says restaurateur Mr Jean-Paul Bruneteau.

Mr Bruneteau, a Frenchman who came to Australia almost three decades ago, admits this gastronomic foray has been controversial. He has even had animal liberationists camped on his doorstep. But he is unrepentant: "The meat is free of chemicals and has low cholesterol. It's extremely popular."

For years, advocates of a commercial kangaroo industry, among them Mr Bruneteau, have been locked in debate with animal welfare campaigners, who argue that the industry is a callous exploitation of wildlife. After all, not many countries eat their national symbols.

Lately, however, there have been signs that the commercial camp is gaining ground. The US has been actively considering whether it should take the three most common types of kangaroo off the "endangered species list". Any concession would remove one of the biggest impediments to the kangaroo products industry's development.

Quietly supported by government, the kangaroo meat processors, tanners and leather goods manufacturers are completing a 10-year "strategic plan" for the kangaroo sector. They say that Australia's estimated 20m roos are a unique resource and have the potential to become a significant rural industry. Many scientists agree, on the grounds that the indigenous kangaroos are far gentler on Australia's fragile grazing lands than non-native imports, such as sheep. Sales of kangaroo skins and meat are rising.

In a third camp are the farmers who claim that kangaroos are simply pests. Their argument has been brought home to urban populations in recent months by a severe drought on Australia's eastern seaboard. This has encouraged many herbivores to feed off roadside verges; the roos are particularly accident-prone.

According to the Motor Trades Association, nearly a third of damage repairs to cars in Canberra, the nation's capital, now result from drivers hitting kangaroos, or swerving to avoid them. Pressure for culling has grown.

"Kangaroo is a green, clean, lean product, free-ranging and unique to Australia. If we're going to have to control it [numerically], let's use it," says Mr Ray Davis, president of the Kangaroo Industries Association of Australia, which represents commercial operators.

An attempt to get a kangaroo meat industry going in the late 1950s, largely in response to European interest, ran into image problems when some of the shipments were reported to contain meat that had gone bad. Within a decade, the trade had come to an ignominious halt. Meat processors turned to the pet food market, which remains an alternative outlet today.

Conservationists have seized on these setbacks: in addition to their concerns about the rights of wild animals, they argue that roo meat is a low-grade product, harvested with proven lack of supervision and therefore more likely to carry health risks.

Only recently has the business begun to expand. According to the government-owned Bureau of Resource Sciences (BRS), the kangaroo/wallaby industry is now worth about A$60m ($46m) a year, and employs several thousand people. Exports of kangaroo products are put at about A$30m – double the value of five years ago. Kangaroo-skin products account for most overseas sales, but meat exports have also been growing.

Better monitoring of kangaroo populations has contributed to the industry's resurgence. Aerial surveying has been stepped up, and quotas are now set for the maximum commercial kill allowed for each species.

In an effort to combat the industry's earlier tawdry image, supervision at the processing stage has also been enhanced. All carcasses going for export must receive an individual post-mortem inspection by an Australian Quarantine and Inspection Service officer, for example.

Even so, other countries remain wary. The red, eastern grey and western grey kangaroos have been on the US endangered species list since its inception in 1974, although the Australian government asked to have them removed in the early 1980s.

Last month, according to officials at the Australian Nature Conservation Agency, there were clear signals that Washington planned to begin delisting. But no formal announcement materialised and there are now some worries that legal challenges and adverse publicity would stall any change. For the moment, the US notion that roos are in danger of extinction remains a key weapon in the conservationists' armoury.

In the meantime, advocates of commercialisation say that the current industry is a small fraction of what could be achieved. "There is significant potential to increase the value of the kangaroo industry in Australia, by developing the market for game meat and expanding further processing and manufacturing of the leather within the country," suggests Mr Brian Ramsay, author of the BRS study.

But overcoming consumer sensibilities still promises to be a Herculean task. Coles Myers, the nation's biggest retailer and one of two big supermarket operators, tried selling kangaroo meat in its stores in Victoria in 1994, but withdrew it in November under consumer protest.

Mr Davis refuses to be downhearted, saying that gradual development, through the smaller retail chains, is no bad thing. But for the moment, the product remains most visible in the departure areas of international airports, where videos promoting the industry's image are played to interested departing tourists. At home, the day of the kangaroo barbecue has yet to dawn.

Jurek Martin on the unfolding relationship between Clinton and the Republican-led Congress

Heavy chains of office

The mood in Washington on Tuesday night was almost benign. President Bill Clinton delivered a State of the Union address that was conciliatory, up to a point, to the Republican majority in Congress. Newt Gingrich, the speaker, had himself and his wilder troops under control. And Governor Christie Whitman of New Jersey, delivering the Republican response, was civil, as befits her upper-crust manner.

Harmony lasted less than 12 hours. Senator Bob Dole, the majority leader, was up at dawn to denounce the president for urging congressmen to stop taking gifts from lobbyists while his Whitewater legal defence fund was accepting them (the White House immediately announced it would no longer). By midday, Mr Gingrich was saying he could not, or would not, stop conservative attempts to repeal the gun control legislation Mr Clinton had promised to veto the night before. By mid-afternoon nobody knew where the president stood on the federal minimum wage increase he had commended as only fair.

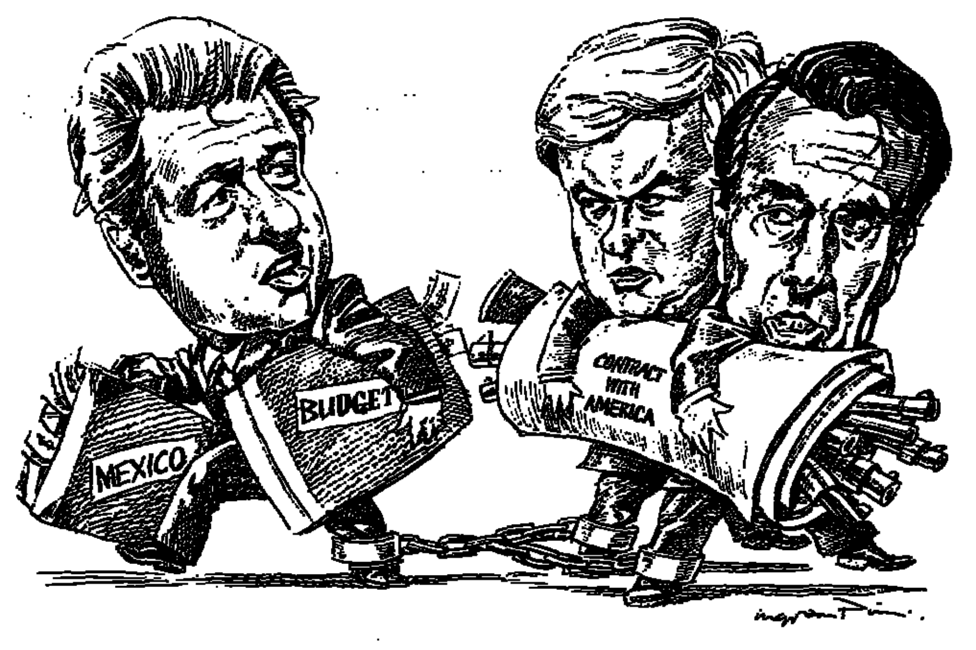
Then, on Thursday night, the House gave Mr Gingrich a famous victory by approving a constitutional amendment to balance the federal budget by the year 2002, assuming the Senate and 38 of the 50 states go along. Mr Clinton does not like the amendment, but has no legal authority to block it. Yesterday, the speaker went further by proposing yet another amendment, which would require a 60 per cent approval for any tax increase, precisely the provision removed from the budget amendment the day before. It will be put to the vote on April 15 next year, the filing deadline for tax returns.

This first experiment in political cohabitation in 49 years between a Democratic president and a Republican Congress was indeed off to a rocky start. It may get worse, for this is more than a simple war for supremacy between Mr Clinton and Mr Gingrich, two men who can talk until their audiences drop. It is the sharp skirmishes, between and within the two parties, that severely complicate national political management.

On the Republican side, there is a world of difference between the self-proclaimed "revolutionary" speaker and the canny, deliberative majority leader, which reflects prevailing attitudes in their respective chambers. The first concrete example could come next week, when the Senate takes up the budget amendment. Whatever its fate, it is hard to see Mr Dole having much truck with Mr Gingrich's determination to continue rewriting the constitution.

But Mr Gingrich has problems keeping his own house in order. On Wednesday, the Republican leadership had to strike from the record vicious remarks on Mr Clinton's avoidance of military service by rightwing Congressman Robert Dornan of California – who promptly repeated them off the floor to conservative talk-show hosts whom Mr Gingrich has invited to set up shop in the Capitol.

The speaker even has difficulties with those who profess to love him most – the aggressive breed of new conservative freshmen. His latest constitutional amendment on taxation is a clear sop to them and it is they, egged on by the National Rifle Association, who are behind the renewed drive to roll back gun control – last year's ban on the sale of 19 types of assault weapons and the modest 1993 Brady handgun act.



It is, frankly, hard to see how a Republican-led push to relax gun control does other than play into Mr Clinton's hands. Nobody seriously thinks there are the votes to override his veto, and even Mr Gingrich would have a hard time explaining why he thinks the country would be less violent with Uzis and AK-47s in every car trunk. But the freshmen are the speaker's shock troops ready for combat and, if neglected, capable of turning on their general.

A battle royal is also brewing over the Republican determination to slash – or even eliminate – federal funding for non-commercial broadcasting and for the National Endowment for the Arts, both long considered redoubts for liberal, avant-garde and otherwise politically correct views. Mr Gingrich himself has dismissed both as playthings of the wealthy elite and thus unworthy recipients of government subsidies ($285m a year for public radio and TV, $167m for the arts).

But the elite includes as many Republicans as Democrats, with public broadcasting valued by both for its civilised output, in comparison with the commercial networks, and for its provision of vital services to rural areas untouched by the cable revolution. On Thursday night Mr Gingrich went so far as to concede that, perhaps, he had gone too far in demanding that Big Bird (the *Sesame Street* character) be plucked and privatised.

It is no better on the other side of the political aisle, where Mr Clinton's relations with his congressional party – many still blaming him for last November's debacle – are in a state of grand flux. The biggest obstacle to the passage of $40bn in Mexican loan guarantees comes from Democrats, who fought tooth and nail against the North American Free Trade Agreement, as much as from isolationist Republicans. His middle-class tax cut proposals are repeatedly undermined by the alternative "flat tax" scheme pushed by Congressman Richard Gephardt, the minority leader. Not many Democrats are rallying to the administration's vigorous defence of UN peacekeeping or to its arguments that a unilateral lifting of the Bosnian arms embargo would be a grave mistake.

And then there is 77-year-old Senator Robert Byrd of West Virginia, filibuster artiste extraordinaire, who answers to no one but himself. Keen to pay Republicans back for their blocking of Democratic proposals last year, he has already managed single-handedly to put much Senate business on hold and is threatening to talk the balanced budget amendment to death. Mr Dole speaks of "Byrdlock" with a combination of resignation and relish.

Still, there are potential areas where cohabitation may work. Mr Clinton's offer of modest healthcare insurance reforms struck a Republican chord on Tuesday night, as did his promise of tighter controls on illegal immigration. The two sides may argue over the details of welfare reform and the size of tax cuts, but both will pass this year and credit, if the mood is right, may be shared. In some areas of foreign policy – the denuclearisation agreement with North Korea, for example – Republican opposition may be more apparent than real.

On Monday, Mr Clinton signed the first act of the Republican Congress, ending the legislature's exemption from the laws of the land. It was a nice bipartisan ceremony, but ironic, for this was a presidential initiative frustrated last year by the Republican minority. It may not be repeated very often in the months ahead.

LETTERS TO THE EDITOR

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We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to 'fine'). Translation may be available for letters written in the main international languages.

'Right' rate of joblessness

From Mr Rod Cross, Mr Andrew Sentance and Mr Peter Robinson.

Sir, The debate over unemployment in Europe is at a critical juncture. The current orthodoxy is that European unemployment is entirely a "structural" problem, and that demand management has no role at all to play in its reduction. This conclusion follows on from the belief that each country in Europe is currently close to its "natural" rate of unemployment.

An increasing number of economists questions the applicability of this concept, first developed by economists worried about the impact of over-ambitious demand management policies on inflation in the 1960s, to Europe's unemployment problem in the 1990s.

Many economists believe that there is a long-run "equilibrium" rate of unemployment in an economy, but that in most European countries – including the UK – that rate is currently exceeded by a wide margin. Significant and persistent deviations from that rate can take place as a result of shocks and it can take a long time for an economy to adjust. There is thus scope for both demand management and supportive supply side policies to ease the process of adjustment.

In the UK the level of output growth necessary to achieve a steady reduction in unemployment would lie in the range of 3-4 per cent a year. If the current modest tightening of monetary policy in Britain is designed to keep growth within these limits, then it is to be welcomed.

There is a clear danger, however, that the government and Bank of England may act on the belief that there is some fixed number for unemployment not far below current levels, which an economy cannot be allowed to go beyond.

If that is so, the result will be unnecessarily restrictive policies.

Rod Cross,
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Centre for Economic Performance,
London School of Economics

Blame policymakers, not market players

From Mr Han de Jong.

Sir, Why are significant moves in financial markets always blamed on market players ("More liberal flow of funds creates instability", January 27)? Policymakers have successfully targeted capital mobility, hedge funds and derivatives as scapegoats for market volatility, while the press has supported that view.

The real problem, however, is underlying economic and financial imbalances that remain unaddressed. Increased capital flows can allow for a delay of the day of reckoning, but it cannot be put off forever. They thus lead to stability rather than instability.

An external deficit of less than 1 per cent of gross domestic product in the UK brought about a sterling crisis and International Monetary Fund involvement in 1976. Mexico has been running an external deficit of 6.5 per cent of GDP on average for the last four years. Germany ran an external deficit last year of some 1.7 per cent of GDP, with nobody even hinting at problems this should cause to the D-Mark. Market players were expected to finance this without asking difficult questions.

Despite US Federal Reserve tightening and its comments about a slowdown in the course of 1994 the US economy was very strong in the second half of the year. Do not blame market players for the authorities' errors of assesment. Blame policymakers!

Hans de Jong,
Chief Economist,
Goodbody Stockbrokers,
122 Pembroke Road,
Dublin, Ireland

Key differences between devolved Quebec and separate Scotland

From Mr Patrick Crowley.

Sir, Regardless of the diplomatic flurry that John Major's comment created ("Premier speaks of 'Quebec' in Scotland", January 17), given Canadian sensibilities surrounding the coming referendum on sovereignty, the comparison does highlight two interesting points.

Devolution would not change Scotland's position in Europe, or indeed the UK parliament, but the same cannot be said of Quebec's position in Canada if the Quebec referendum passes. Even if the process of Scottish independence snowballed towards separation, then Scottish nationalists would surely not wish to pull out of Europe, however federalist its structure. Quebec separatists wish to pull out of the federal structure of Canada (maintaining passports and North American Free Trade Area membership), even though the province has a significant amount of policy autonomy.

Scotland occupies the northern parts of the UK, but Quebec is positioned toward the centre of Canada. A devolved or even separate Scotland would not be a great blow to England, but a separate Quebec would create two Canadas. *Touché* Mr Major!

Patrick Crowley,
2036 Maynard,
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Canada

Reward and disclosure should be appropriate

From Mr Peter Breen.

Sir, Lex produced a nicely balanced "bottom line" comment ("Bosses pay the price", January 25). If chief executives don't perform, they should be fired. If they do perform, they should be paid the market rate. And if they, as leaders, increase the worth of their businesses, they should be rewarded appropriately, with bonuses and a share of the growth in net value of their companies.

We should be encouraging ambition and recognising responsibility. And sending messages to our top young talent in schools and universities that a financially rewarding career can be achieved in industry, not just in the City, the professions or in the US.

Peter Breen,
Heidrick & Struggles,
100 Piccadilly,
London W1V 9FN, UK

From Mr Tim Melville-Ross.

Sir, Lex suggested that the Institute of Directors' main proposal, relying on investors to check excessive pay, was unrealistic. Lex suggests that this is because no financial model of British Gas would register its chief executive, Mr Cedric Brown's salary as even a blip.

Shareholders would have to be very unobservant indeed to have missed the furore over Cedric Brown's salary. In the normal course of events there may be much less public interest, but this is why we are also calling for much greater disclosure so that shareholders do have the information on which to judge the performance of the board and the remuneration committee in this area.

I have no doubt that it will be sufficient incentive for shareholders to take an interest in this matter, and that if they don't, it will be taken out of their hands and dealt with by legislation, which would be the worst possible outcome.

Tim Melville-Ross,
Director General,
Institute of Directors,
116 Pall Mall,
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UK

CURRENCIES AND MONEY

MARKETS REPORT

Franc falters

Allegations that the French prime minister, Mr Edouard Balladur, had been involved in an illegal party funding scandal yesterday put the skids under the French franc, *writes Philip Gawith.*

The French currency touched a fourteen month low, closing in London at FFr3.473 against the D-Mark, from FFr3.459 on Thursday.

The D-Mark was stronger across the board, finishing higher against the lira, peseta and Swedish krona, among others. Sterling also lost ground against the D-Mark, finishing at DM2.4069, from DM2.411.

The dollar gained no support from a robust US fourth quarter GDP growth figure of 4.5 per cent. It closed at DM1.5119 from DM1.5147.

■ The French franc was at the top end of an eight year trading range against the D-Mark. Mr Neil MacKinnon, chief economist at Citibank in London, said it was difficult to be optimistic ahead of the presidential elections in April/May. He predicted that the franc could fall to FFr3.50 against the D-Mark.

Analysts said the franc's weakening was typical of other European currencies, such as the peseta and the lira, which have weakened recently on political uncertainty.

■ **Pound in New York**

Jan 27	Latest	Prev. close
£ spot	1.5890	1.5895
1 mth	1.5885	1.5891
3 mth	1.5872	1.5880
1 yr	1.5809	1.5826

■ By lending further support to the D-Mark, the franc's woes further aggravated the plight of the dollar. While the GDP figure was in line with market expectations, and supportive of a further rate tightening, it was somewhat undermined by the subdued prices component of the figures.

Mr Jeremy Hawkins, chief economist at the Bank of America in London, said the dollar was victim to a host of external factors: "It seems that the dollar's value currently is more a function of what is happening offshore than onshore."

Mr MacKinnon said he thought the GDP figures showed sufficiently robust growth to justify the Fed deciding to raise rates next week. He said testimony from Fed chairman Mr Alan Greenspan before Congress this week supported this view.

An element of uncertainty, however, has crept into the market. Mr Hawkins said some investors were worried that the Fed might be constrained by the ramifications of higher US rates on the Mexican crisis.

This view was underlined by a further rise in eurodollar futures prices, implying a downward adjustment of the market's view on interest rates.

The activity in eurodollars spilled over into euromark futures, where heavy volumes were traded. The June contract traded nearly 64,000 lots.

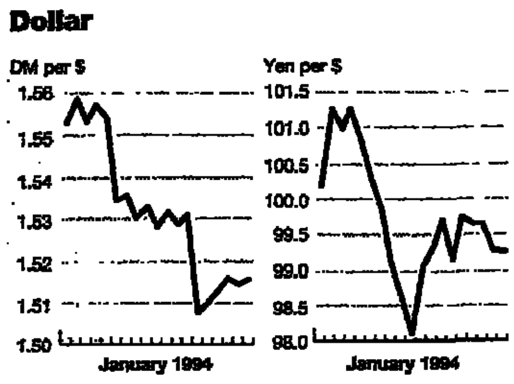
There remains considerable uncertainty about the outlook for German interest rates. Mr Edgar Meister, a Bundesbank board member said yesterday that the bank was "not currently interested in seeing any rise in interest rates."

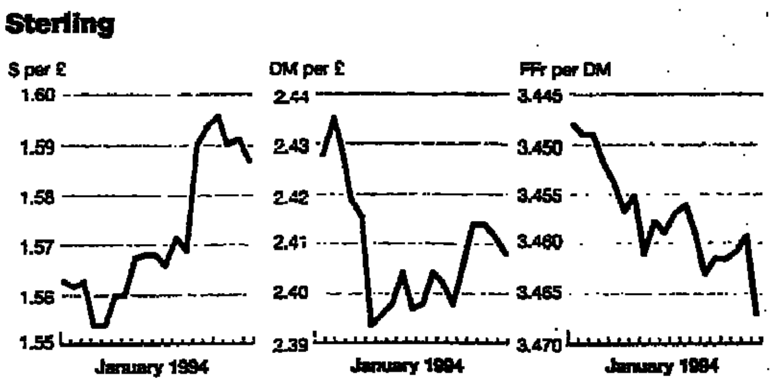
By raising the prospect of a return to a variable rate repo, he implied that the repo rate might be allowed to fall.

■ The Mexican peso made further gains, closing at 5.625 pesos from 5.68 pesos. The currency, however, remains vulnerable to a setback if the US support package is not passed.

Mr Newt Gingrich, speaker of the House, said passage was possible, but more difficult than anticipated. He said President Clinton had not been successful in making the case for the package, which was unpopular in the US.

■ The Bank of England cleared a £600m money market shortage at established rates in its daily operations.





Source: Datastream

POUND SPOT FORWARD AGAINST THE POUND

Jan 27	Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Bank of Eng. Index
Europe												
Austria (Sch)	16.9320	-0.0501	243 - 397	16.9867	16.9072	16.9195	0.9	16.8858	1.1	-	-	115.5
Belgium (BFr)	49.6386	-0.059	054 - 718	49.8030	49.5310	49.5886	1.2	49.4836	1.2	48.9536	1.4	117.8
Denmark (DKr)	9.5070	-0.0064	033 - 106	9.5336	9.4921	9.5034	0.4	9.4936	0.6	9.4456	0.6	117.4
Finland (FM)	7.5194	-0.0203	127 - 260	7.5550	7.5010	-	-	-	-	-	-	88.2
France (FFr)	8.3554	+0.0149	511 - 596	8.3733	8.3346	8.3503	0.7	8.3374	0.9	8.2675	1.1	110.4
Germany (DM)	2.4069	-0.0042	057 - 080	2.4161	2.4029	2.4042	1.3	2.3973	1.6	2.3593	2.0	128.3
Greece (Dr)	375.621	+0.036	299 - 942	376.185	374.620	-	-	-	-	-	-	-
Ireland (I£)	1.0116	+0.0006	109 - 123	1.0126	1.0076	1.0113	0.4	1.0111	0.2	1.0096	0.2	105.3
Italy (L)	2546.32	+2.62	497 - 768	2555.97	2544.72	2550.82	-2.1	2558.87	-2.1	2605.37	-2.3	72.7
Luxembourg (LFr)	49.6386	-0.059	054 - 718	49.8030	49.5310	49.5886	1.2	49.4836	1.2	48.9536	1.4	117.8
Netherlands (Fl)	2.6977	-0.0035	963 - 991	2.7099	2.6922	2.6951	1.2	2.6881	1.4	2.6501	1.8	122.2
Norway (NKr)	10.5467	-0.0078	428 - 506	10.5766	10.5172	10.5458	0.1	10.5437	0.1	10.532	0.1	87.0
Portugal (Es)	248.902	-0.374	608 - 195	252.554	248.608	249.502	-2.9	251.152	-3.6	-	-	-
Spain (Pta)	209.461	-0.227	295 - 626	210.228	209.190	209.796	-1.9	210.566	-2.1	214.536	-2.4	83.2
Sweden (SKr)	11.8539	-0.0135	433 - 644	11.9360	11.8379	11.8674	-1.4	11.8934	-1.3	11.9939	-1.2	74.5
Switzerland (SFr)	2.0239	-0.0054	226 - 251	2.0344	2.0224	2.0198	2.4	2.0109	2.6	1.9625	3.0	123.0
UK (£)	-	-	-	-	-	-	-	-	-	-	-	80.0
Ecu	1.2739	-0.0012	731 - 747	1.2783	1.2721	1.2733	0.5	1.2723	0.5	1.2648	0.7	-
SDR†	0.923758	-	-	-	-	-	-	-	-	-	-	-
Americas												
Argentina (Peso)	1.5919	-0.0003	914 - 923	1.5938	1.5845	-	-	-	-	-	-	-
Brazil (Cr)	1.3444	+0.0025	433 - 455	1.3455	1.3380	-	-	-	-	-	-	-
Canada (C$)	2.2522	+0.0042	513 - 531	2.2570	2.2397	2.2549	-1.4	2.2604	-1.4	2.2727	-0.9	83.4
Mexico (New Peso)	8.9548	-0.0867	130 - 965	8.9965	8.8226	-	-	-	-	-	-	-
USA ($)	1.5920	+0.0002	916 - 923	1.5940	1.5845	1.5916	0.3	1.5906	0.4	1.5849	0.4	62.4
Pacific/Middle East/Africa												
Australia (A$)	2.0880	+0.0079	868 - 891	2.0891	2.0340	2.0903	-1.3	2.0957	-1.5	2.128	-1.9	-
Hong Kong (HK$)	12.3106	+0.0039	070 - 141	12.3280	12.2548	12.3096	0.1	12.3361	-0.8	12.2359	0.6	-
India (Rs)	49.9495	+0.0107	325 - 664	50.0250	49.7220	-	-	-	-	-	-	-
Israel (Shk)	4.7835	+0.0057	785 - 885	4.7910	4.7700	-	-	-	-	-	-	-
Japan (Y)	157.762	-0.423	648 - 877	158.560	157.648	157.232	4.0	156.107	4.2	149.847	5.0	187.8
Malaysia (M$)	4.0714	-0.0013	697 - 731	4.0764	4.0535	-	-	-	-	-	-	-
New Zealand (NZ$)	2.4865	+0.0053	849 - 880	2.4880	2.4826	2.4903	-1.8	2.4993	-2.1	2.5303	-1.8	-
Philippines (Peso)	39.1779	-0.1396	897 - 661	39.2661	39.0897	-	-	-	-	-	-	-
Saudi Arabia (SR)	5.9707	+0.0004	690 - 724	5.9780	5.9431	-	-	-	-	-	-	-
Singapore (S$)	2.3107	-0.0014	094 - 120	2.3142	2.3028	-	-	-	-	-	-	-
S Africa (Com.) (R)	5.6343	+0.0021	319 - 367	5.6367	5.6123	-	-	-	-	-	-	-
S Africa (Fin.) (R)	6.4474	-0.0631	301 - 647	6.4784	6.4125	-	-	-	-	-	-	-
South Korea (Won)	1256.69	+8.16	625 - 712	1258.14	1247.20	-	-	-	-	-	-	-
Taiwan (T$)	41.8572	+0.0533	288 - 855	41.8919	41.6803	-	-	-	-	-	-	-
Thailand (Bt)	39.8943	-0.0281	696 - 190	39.9430	39.7230	-	-	-	-	-	-	-

†SDR rates for Jan 26. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100.Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Jan 27	Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	J.P Morgan Index
Europe												
Austria (Sch)	10.6360	-0.0325	335 - 385	10.6930	10.6335	10.6485	0.8	10.6087	1.0	10.476	1.5	105.4
Belgium (BFr)	31.1810	-0.04	670 - 950	31.3230	31.1670	31.1605	0.8	31.111	0.9	30.886	0.9	106.8
Denmark (DKr)	5.9719	-0.0046	709 - 729	6.0020	5.9709	5.9726	-0.2	5.9689	0.2	5.9599	0.2	105.8
Finland (FM)	4.7234	-0.0132	202 - 265	4.7500	4.7165	4.7207	0.7	4.7159	0.6	4.7034	0.4	82.6
France (FFr)	5.2485	+0.0088	470 - 500	5.2710	5.2422	5.2466	0.4	5.242	0.5	5.2165	0.6	106.9
Germany (DM)	1.5119	-0.0028	115 - 123	1.5200	1.5115	1.5106	1.0	1.5072	1.2	1.4886	1.5	108.7
Greece (Dr)	235.850	-	800 - 100	236.630	235.800	238.95	-15.3	243.7	-13.1	256.1	-8.5	68.5
Ireland (I£)	1.5737	-0.0008	729 - 744	1.5774	1.5665	1.5739	-0.1	1.5735	0.1	1.5727	0.1	-
Italy (L)	1599.50	+1.5	900 - 000	1610.00	1599.00	1602.75	-2.4	1609.5	-2.5	1644	-2.8	73.2
Luxembourg (LFr)	31.1810	-0.04	670 - 950	31.3230	31.1670	31.1605	0.8	31.111	0.9	30.886	0.9	106.8
Netherlands (Fl)	1.6946	-0.0024	941 - 951	1.7029	1.6941	1.6934	0.9	1.6899	1.1	1.6707	1.4	106.8
Norway (NKr)	6.6250	-0.0055	240 - 260	6.6570	6.6229	6.6212	0.7	6.6125	0.8	6.5615	1.0	97.3
Portugal (Es)	156.350	-0.25	200 - 500	158.520	156.200	156.805	-3.5	157.925	-4.0	162.125	-3.7	95.4
Spain (Pta)	131.575	-0.155	500 - 650	132.190	131.500	131.82	-2.2	132.39	-2.5	135.375	-2.9	78.2
Sweden (SKr)	7.4461	-0.0092	411 - 511	7.5036	7.4411	7.4564	-1.7	7.4776	-1.7	7.5681	-1.6	79.7
Switzerland (SFr)	1.2713	-0.0036	709 - 716	1.2790	1.2708	1.2691	2.1	1.2643	2.2	1.2383	2.6	108.7
UK (£)	1.5920	+0.0002	916 - 923	1.5940	1.5845	1.5916	0.3	1.5906	0.4	1.5849	0.4	88.4
Ecu	1.2497	+0.0013	492 - 502	1.2508	1.2438	1.2499	-0.2	1.2502	-0.1	1.2531	-0.3	-
SDR†	1.47247	-	-	-	-	-	-	-	-	-	-	-
Americas												
Argentina (Peso)	1.0000	-0.0002	999 - 000	1.0000	0.9999	-	-	-	-	-	-	-
Brazil (Cr)	0.8445	-0.0015	440 - 450	0.8450	0.8440	-	-	-	-	-	-	-
Canada (C$)	1.4148	-0.0025	145 - 150	1.4175	1.4128	1.4169	-1.7	1.4213	-1.8	1.4341	-1.4	80.3
Mexico (New Peso)	5.6250	-0.055	000 - 500	5.6500	5.6000	5.6258	-0.2	5.6262	-0.1	5.6276	0.0	-
USA ($)	-	-	-	-	-	-	-	-	-	-	-	98.6
Pacific/Middle East/Africa												
Australia (A$)	1.3115	+0.0045	111 - 120	1.3152	1.3087	1.3137	-2.0	1.3183	-2.1	1.3438	-2.5	88.6
Hong Kong (HK$)	7.7330	-0.0017	325 - 335	7.7352	7.7320	7.7241	-0.2	7.7351	-0.1	7.74	-0.1	-
India (Rs)	31.3762	+0.0038	725 - 800	31.4025	31.3725	31.4563	-3.1	31.7013	-4.1	-	-	-
Israel (Shk)	3.0045	-0.0030	020 - 070	3.0091	3.0009	-	-	-	-	-	-	-
Japan (Y)	99.1000	-0.275	500 - 500	99.6100	99.0500	98.81	3.5	98.16	3.8	94.555	4.6	148.5
Malaysia (M$)	2.5575	-0.001	570 - 580	2.5590	2.5562	2.5555	0.9	2.551	1.0	2.535	0.9	-
New Zealand (NZ$)	1.5618	-0.0032	612 - 625	1.5668	1.5592	1.5653	-2.7	1.5713	-2.4	1.5983	-2.2	-
Philippines (Peso)	24.6100	-0.09	600 - 600	24.6600	24.5600	-	-	-	-	-	-	-
Saudi Arabia (SR)	3.7506	-0.0001	502 - 509	3.7508	3.7503	3.7532	-0.8	3.7565	-0.6	3.7681	-0.5	-
Singapore (S$)	1.4515	-0.001	510 - 520	1.4525	1.4510	1.4466	4.1	1.4412	2.8	1.4178	2.3	-
S Africa (Com.) (R)	3.5350	-0.001	325 - 400	3.5420	3.5323	3.5543	-5.1	3.5853	-5.2	3.7413	-5.7	-
S Africa (Fin.) (R)	4.0500	-0.04	400 - 600	4.0700	4.0400	4.0775	-8.1	4.1275	-7.7	4.38	-7.7	-
South Korea (Won)	789.400	+5.05	300 - 500	789.500	784.800	792.4	-4.6	795.9	-3.3	814.4	-3.2	-
Taiwan (T$)	26.2930	+0.037	910 - 950	26.3050	26.2570	26.313	-0.9	26.353	-0.9	-	-	-
Thailand (Bt)	25.0600	-0.02	500 - 700	25.0350	25.0500	25.0725	-0.6	25.0865	-0.4	25.1125	-0.2	-

†SDR rate for Jan 26. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Jan 26. Base average 1990=100

WORLD INTEREST RATES

MONEY RATES

January 27	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	4⅞	5⅛	5¼	5½	6⅝	7.40	4.50	-
week ago	4⅞	5⅛	5¼	5⅝	6⅛	7.40	4.50	-
France	5⅝	5⅛	5¾	6⅛	6⅝	5.00	-	6.40
week ago	5⅝	5⅛	6⅜	6⅛	6⅝	5.00	-	6.40
Germany	4.93	4.95	5.05	5.25	5.75	6.00	4.50	4.85
week ago	4.80	4.95	5.10	5.30	5.75	6.00	4.50	4.85
Ireland	5⅛	5¾	6⅛	6⅝	7⅛	-	-	6.25
week ago	5⅛	5¾	6⅛	6⅝	7⅛	-	-	6.25
Italy	8⅛	8⅛	8⅝	9⅛	10⅛	-	7.50	8.20
week ago	8⅛	8⅛	9⅛	9⅛	10⅛	-	7.50	8.20
Netherlands	4.84	5.01	5.11	5.33	5.83	-	5.25	-
week ago	4.84	5.01	5.17	5.40	5.90	-	5.25	-
Switzerland	3¾	3¾	4	4⅛	4⅛	6.625	3.50	-
week ago	3¾	3¾	4⅛	4⅛	4⅛	6.625	3.50	-
US	5⅞	6	6⅛	6⅝	7⅛	-	4.75	-
week ago	5⅞	6	6⅛	6⅝	7⅛	-	4.75	-
Japan	2¼	2¼	2¼	2⅜	2⅝	-	1.75	-
week ago	2¼	2¼	2¼	2⅜	2⅝	-	1.75	-
■ $ LIBOR FT London								
Interbank Fixing	-	6	6⅛	6⅝	7⅛	-	-	-
week ago	-	6	6⅛	6¾	7⅛	-	-	-
US Dollar CDs	-	5.90	6.15	6.47	7.09	-	-	-
week ago	-	5.90	6.16	6.55	7.25	-	-	-
SDR Linked Ds	-	4.56	4.94	5.25	5.69	-	-	-
week ago	-	4.56	4.94	5.25	5.69	-	-	-

ECU Linked Ds mid rates: 1 mth: 5¾; 3 mths: 6 ; 6 mths: 6⅝; 1 year: 6⅞. $ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster. Mid rates are shown for the domestic Money Rates, US $ CDs and SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Jan 27	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	4 13/16 - 4 11/16	5 - 4⅞	5 3/16 - 5 1/16	5 7/16 - 5 5/16	5 27/32 - 5 21/32	6 5/16 - 6 3/16
Danish Krone	5¼ - 5	5¾ - 5½	6⅛ - 5⅞	6¼ - 6	6¾ - 6⅝	7 5/16 - 7 3/16
D-Mark	5⅜ - 5¼	5⅛ - 5	5 - 4⅞	5 1/16 - 4 15/16	5¼ - 5⅛	5 13/16 - 5 11/16
Dutch Guilder	5 - 4 13/16	5 - 4 13/16	5⅛ - 5 1/16	5 5/16 - 5 3/16	5⅝ - 5½	5 15/16 - 5 13/16
French Franc	5 7/16 - 5 5/16	5 7/16 - 5 5/16	5½ - 5⅜	5 13/16 - 5 11/16	6 3/16 - 6 1/16	6¾ - 6⅝
Portuguese Esc.	8⅞ - 8¼	8⅞ - 8¼	9⅝ - 9¼	10½ - 10¼	11⅛ - 10¾	11⅝ - 11¼
Spanish Peseta	8¼ - 8	8¼ - 8⅛	8⅜ - 8¼	8⅞ - 8¾	9½ - 9⅜	10¾ - 10⅝
Sterling	5⅜ - 5⅛	5⅞ - 5¾	6½ - 6⅜	6 13/16 - 6 11/16	7⅛ - 7	7⅞ - 7¾
Swiss Franc	3⅝ - 3½	3¾ - 3⅝	3¾ - 3⅝	4 - 3⅞	4¼ - 4⅛	4 9/16 - 4 7/16
Can. Dollar	7 3/16 - 7⅛	7½ - 7⅜	7¾ - 7⅝	8 1/16 - 7 15/16	8 5/16 - 8 3/16	8⅝ - 8½
US Dollar	5 7/16 - 5 5/16	5⅝ - 5½	6 1/16 - 5 15/16	6⅜ - 6¼	6¾ - 6⅝	7½ - 7⅜
Italian Lira	9 - 7½	8½ - 8⅜	8⅝ - 8½	8 15/16 - 8 13/16	9 7/16 - 9 5/16	10 3/16 - 10 1/16
Yen	2¼ - 2⅛	2¼ - 2⅛	2 5/16 - 2 3/16	2⅜ - 2¼	2⅝ - 2½	2⅝ - 2½
Asian $Sing	3⅞ - 3⅝	4⅜ - 4¼	3⅝ - 3½	4 5/16 - 4 3/16	4 9/16 - 4 7/16	4¾ - 4⅝

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ **THREE MONTH PIBOR FUTURES (MATIF) Paris interbank offered rate**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	93.85	93.80	-0.12	93.92	93.78	28,392	45,056
Jun	93.35	93.36	-0.08	93.45	93.35	18,185	46,358
Sep	93.04	93.05	-0.03	93.15	93.02	6,618	32,958
Dec	92.74	92.76	-	92.84	92.74	3,230	18,992

■ **THREE MONTH EURODOLLAR (LIFFE)* $1m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar		93.36	+0.04			0	1462
Jun		92.78	+0.07			0	535
Sep		92.46	+0.14			0	177
Dec	92.12	92.22	+0.21	92.12	92.12	200	0

■ **THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	94.81	94.76	-0.04	94.82	94.75	37437	203398
Jun	94.41	94.39	-0.01	94.46	94.36	63974	187292
Sep	94.02	94.01	+0.01	94.08	94.00	30589	95890
Dec	93.62	93.63	+0.02	93.71	93.60	21546	71207

■ **THREE MONTH EUROLIRA INT.RATE FUTURES (LIFFE) L1000m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	90.51	90.48	-0.03	90.52	90.45	4955	38829
Jun	89.88	89.87	-0.02	89.90	89.84	1704	24503
Sep	89.50	89.48	-0.01	89.51	89.46	974	26604
Dec	89.19	89.17	-0.03	89.22	89.17	747	15606

■ **THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	95.85	95.83	-0.02	95.87	95.80	4736	20459
Jun	95.49	95.51	+0.03	95.56	95.48	4826	13681
Sep	95.24	95.24	+0.03	95.29	95.23	1774	6181
Dec	95.02	94.98	+0.02	95.02	94.98	857	4863

■ **THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	93.54	93.50	-0.06	93.58	93.48	2237	9535
Jun	93.06	93.01	-0.06	93.11	93.00	1585	6072
Sep	92.63	92.67	-0.06	92.67	92.60	782	2980
Dec	92.23	92.18	-0.08	92.27	92.16	540	1780

* LIFFE futures also traded on APT

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Jan 27	BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium (BFr)	100	19.16	16.83	4.848	2.037	5130	5.434	21.24	501.5	421.9	23.88	4.076	2.015	4.538	3.208	317.2	2.565
Denmark (DKr)	52.20	10	8.788	2.531	1.063	2678	2.837	11.09	261.8	220.3	12.46	2.128	1.052	2.369	1.675	165.9	1.339
France (FFr)	59.40	11.38	10	2.880	1.210	3047	3.228	12.62	297.9	250.6	14.18	2.421	1.197	2.695	1.905	188.7	1.524
Germany (DM)	20.63	3.951	3.473	1	0.420	1058	1.121	4.381	103.4	87.03	4.925	0.841	0.416	0.936	0.662	65.54	0.529
Ireland (I£)	49.09	9.404	8.264	2.380	1	2518	2.668	10.43	246.2	207.1	11.72	2.001	0.989	2.227	1.575	156.0	1.259
Italy (L)	1.949	0.373	0.328	0.095	0.040	100.	0.106	0.414	9.776	8.225	0.465	0.079	0.039	0.088	0.063	6.194	0.050
Netherlands (Fl)	18.40	3.525	3.098	0.892	0.375	944.0	1	3.908	92.29	77.64	4.394	0.750	0.371	0.835	0.590	58.47	0.472
Norway (NKr)	47.09	9.020	7.927	2.283	0.959	2416	2.559	10	236.1	198.7	11.24	1.919	0.949	2.137	1.510	149.6	1.208
Portugal (Es)	19.94	3.820	3.357	0.967	0.406	1023	1.084	4.235	100.	84.13	4.761	0.813	0.402	0.905	0.640	63.36	0.511
Spain (Pta)	23.70	4.540	3.990	1.149	0.483	1216	1.288	5.033	118.9	100.	5.659	0.966	0.478	1.075	0.760	75.31	0.608
Sweden (SKr)	41.88	8.023	7.051	2.030	0.853	2149	2.276	8.895	210.0	176.7	10	1.707	0.844	1.900	1.343	133.1	1.074
Switzerland (SFr)	24.53	4.699	4.130	1.189	0.500	1259	1.333	5.210	123.0	103.5	5.858	1	0.494	1.113	0.787	77.95	0.629
UK (£)	49.63	9.507	8.355	2.406	1.011	2546	2.697	10.54	248.9	209.4	11.85	2.023	1	2.252	1.592	157.7	1.273
Canada (C$)	22.04	4.222	3.710	1.068	0.449	1131	1.198	4.680	110.5	92.98	5.262	0.898	0.444	1	0.707	70.03	0.565
US ($)	31.17	5.972	5.248	1.511	0.635	1599	1.694	6.621	156.3	131.5	7.443	1.271	0.628	1.415	1	99.06	0.800
Japan (Y)	31.47	6.029	5.298	1.526	0.641	1614	1.710	6.684	157.8	132.8	7.514	1.283	0.634	1.428	1.010	100.	0.807
Ecu	38.99	7.468	6.563	1.890	0.794	2000	2.119	8.280	195.5	164.5	9.309	1.589	0.786	1.769	1.251	123.9	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

■ **D-MARK FUTURES (IMM) DM 125,000 per DM**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.6601	0.6612	+0.0011	0.6617	0.6587	22,369	79,707
Jun	0.6627	0.6636	-	0.6636	0.6610	269	2,991
Sep	-	0.6653	-	-	-	9	174

■ **JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	1.0110	1.0105	-0.0006	1.0119	1.0082	13,780	75,127
Jun	1.0205	1.0215	-0.0016	1.0215	1.0205	740	7,538
Sep	-	1.0359	-	-	-	172	566

■ **SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.7859	0.7868	+0.0009	0.7876	0.7830	15,721	40,773
Jun	0.7907	0.7915	-	0.7915	0.7890	26	1,335
Sep	-	0.7965	-	-	0.7950	7	72

■ **STERLING FUTURES (IMM) £62,500 per £**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	1.5888	1.5878	-0.0026	1.5926	1.5830	11,131	47,148
Jun	1.5830	1.5880	-0.0050	1.5880	1.5830	17	1,320
Sep	-	1.5830	-	-	1.5810	2	6

EMS EUROPEAN CURRENCY UNIT RATES

Jan 27	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Netherlands	2.19672	2.12695	-0.00262	-3.18	10.55	-
Belgium	40.2123	39.1343	-0.0514	-2.68	9.99	20
Austria	13.7167	13.3513	-0.0208	-2.66	9.97	-
Germany	1.94964	1.89784	-0.00289	-2.66	9.96	-
Ireland	0.808628	0.797308	+0.002045	-1.40	8.56	9
France	6.53883	6.58119	+0.00849	0.65	6.35	-5
Denmark	7.43679	7.49338	-0.00495	0.76	6.23	-5
Portugal	192.854	196.166	-0.307	1.72	5.23	-12
Spain	154.250	165.108	-0.027	7.04	0.00	-49
NON ERM MEMBERS						
Greece	264.513	295.781	-0.257	11.82	-4.28	-
Italy	1733.19	2009.51	+5.21	12.06	-4.48	-
UK	0.786749	0.788615	+0.002091	0.24	6.79	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ **PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)**

Strike Price	CALLS Feb	CALLS Mar	CALLS Apr	PUTS Feb	PUTS Mar	PUTS Apr
1.500	8.61	8.57	8.65	-	-	0.19
1.525	6.18	6.27	6.53	-	0.14	0.49
1.550	3.77	4.14	4.61	0.05	0.48	1.03
1.575	1.76	2.43	3.01	0.48	1.20	1.90
1.580	0.50	1.20	1.85	1.72	2.46	3.11
1.625	0.07	0.51	1.04	3.73	4.19	4.77

Previous day's vol., Calls 3,274 Puts 10,404 . Prev. day's open int., Calls 232,447 Puts 289,429

■ **THREE MONTH EURODOLLAR (IMM) $1m points of 100%**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	93.31	93.35	+0.03	93.40	93.30	149,434	417,022
Jun	92.71	92.77	+0.08	92.82	92.70	267,477	384,852
Sep	92.32	92.42	+0.09	92.52	92.32	122,233	279,901

■ **US TREASURY BILL FUTURES (IMM) $1m per 100%**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	93.97	93.97	+0.03	94.03	93.95	2,960	9,482
Jun	93.37	93.35	+0.02	93.42	93.34	1,161	8,290
Sep	93.00	93.03	+0.09	93.07	93.00	493	3,452

All Open Interest figs. are for previous day

■ **EUROMARK OPTIONS (LIFFE) DM1m points of 100%**

Strike Price	CALLS Feb	CALLS Mar	CALLS Apr	CALLS Jun	PUTS Feb	PUTS Mar	PUTS Apr	PUTS Jun
9475	0.06	0.11	0.04	0.08	0.05	0.10	0.40	0.44
9500	0.01	0.02	0.01	0.03	0.25	0.26	0.62	0.64
9525	0	0	0	0.01	0.49	0.49	0.86	0.87

Est. vol. total, Calls 6189 Puts 12892. Previous day's open int., Calls 158167 Puts 201601

■ **EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%**

Strike Price	CALLS Mar	CALLS Jun	CALLS Sep	PUTS Mar	PUTS Jun	PUTS Sep
9575	0.15	0.12	0.11	0.07	0.36	0.62
9600	0.03	0.05	0.06	0.20	0.54	0.82
9625	0.01	0.02	0.02	0.43	0.78	1.03

Est. vol. total, Calls 0 Puts 5. Previous day's open int., Calls 1795 Puts 2015

UK INTEREST RATES

LONDON MONEY RATES

Jan 27	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	5 - 4	5½ - 5¼	6⅜ - 6¼	6 13/16 - 6 11/16	7 3/16 - 7 1/16	7⅞ - 7¾
Sterling CDs	-	-	6 5/16 - 6¼	6 11/16 - 6⅝	7 1/16 - 7	7¾ - 7 11/16
Treasury Bills	-	-	6¼ - 6⅛	6¼ - 6⅛	-	-
Bank Bills	-	-	6 5/16 - 6⅛	6 13/16 - 6 11/16	7 - 6⅞	-
Local authority deps.	4 13/16 - 4 11/16	5 9/16 - 5 7/16	6 3/16 - 6 1/16	6¾ - 6⅝	7 1/16 - 6 15/16	7 13/16 - 7 11/16
Discount Market deps	5¾ - 4½	5½ - 5¼	-	-	-	-

UK clearing bank base lending rate 6¼ per cent from December 7, 1994

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	2	2½	5¼	5½	5¾

Certs of Tax dep. under £100,000 is 2½pc. Deposits withdrawn for cash 1¼pc.
Ave. tender rate of discount 5.8761pc. ECGD fixed rate Stg. Export Finance. Make up day Dec 30, 1994. Agreed rate for period Jan 25, 1995 to Feb 25, 1995, Schemes II & III 7.71pc. Reference rate for period Dec 1, 1994 to Dec 30, 1994, Schemes IV & V 6.402pc. Finance House Base Rate 6½pc from Jan 1, 1995

■ **THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	92.88	92.85	-0.02	92.91	92.83	24767	87383
Jun	92.18	92.18	+0.02	92.26	92.17	37934	79977
Sep	91.67	91.71	+0.06	91.77	91.67	14806	60192
Dec	91.34	91.39	+0.07	91.44	91.34	9813	48506

Also traded on APT. All Open interest figs. are for previous day.

■ **SHORT STERLING OPTIONS (LIFFE) £500,000 points of 100%**

Strike Price	CALLS Mar	CALLS Jun	CALLS Sep	PUTS Mar	PUTS Jun	PUTS Sep
9275	0.20	0.09	0.08	0.10	0.66	1.12
9300	0.07	0.05	0.05	0.22	0.87	1.34
9325	0.02	0.02	0.03	0.42	1.09	1.57

Est. vol. total, Calls 10137 Puts 7678. Previous day's open int., Calls 127443 Puts 124838

BASE LENDING RATES

	%
Adam & Company	6.25
Allied Trust Bank	6.25
AIB Bank	6.25
●Henry Ansbacher	6.25
Bank of Baroda	6.25
Banco Bilbao Vizcaya	6.25
Bank of Cyprus	6.25
Bank of Ireland	6.25
Bank of India	6.25
Bank of Scotland	6.25
Barclays Bank	6.25
Brit Bk of Mid East	6.25
●Brown Shipley & Co Ltd	6.25
Citibank NA	6.25
Clydesdale Bank	6.25
The Co-operative Bank	6.25
Coutts & Co	6.25
Credit Lyonnais	6.25
Cyprus Popular Bank	6.25
Duncan Lawrie	6.25
Exeter Bank Limited	7.25
Financial & Gen Bank	7.00
●Robert Fleming & Co	6.25
Girobank	6.25
●Guinness Mahon	6.25
Habib Bank AG Zurich	6.25
●Hambros Bank	6.25
Heritable & Gen Inv Bk.	6.25
●Hill Samuel	6.25
C. Hoare & Co	6.25
Hongkong & Shanghai	6.25
Julian Hodge Bank	6.25
●Leopold Joseph & Sons	6.25
Lloyds Bank	6.25
Meghraj Bank Ltd	6.25
Midland Bank	6.25
* Mount Banking	6.25
NatWestminster	6.25
●Rea Brothers	6.25
* Roxburghe Guarantee Corporation Limited is no longer authorised as a banking institution.	9
Royal Bk of Scotland	6.25
Singer & Friedlander	6.25
●Smith & Williamson Secs.	6.25
TSB	6.25
●United Bk of Kuwait	6.25
Unity Trust Bank Plc	6.25
Western Trust	6.25
Whiteaway Laidlaw	6.25
Yorkshire Bank	6.25

● Members of London Investment Banking Association
* In administration

■ **OTHER CURRENCIES**

Jan 27	£	$
Hungary	178.720 - 178.958	112.290 - 112.390
Iran	2731.00 - 2734.00	1748.00 - 1750.00
Kuwait	0.4751 - 0.4758	0.2985 - 0.2988
Poland	3.8358 - 3.8390	2.4100 - 2.4110
Russia	6468.29 - 6473.07	4063.00 - 4066.00
U.A.E.	5.8452 - 5.8485	3.6725 - 3.6730

FT GUIDE to WORLD CURRENCIES

The FT Guide to World Currencies table can be found on the Companies and Finance page in Monday's edition.

صورة عن الأصل

هكذا اصله الاصل

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Gartmore Fund Managers (1200)F
Gartmore House, 16–18 Monument Street
London EC3R 8AJ 071–782 2000
Dealings only:0277-264421

INVESCO Fund Managers Ltd (1200)F
11 Devonshire Square, Ldn, EC2M 4YR 071–626 3434
Dealing : 0800 010733

MW Joint Investors Ltd (0850)F

Maldon Unit Trust Managers Ltd (1400)F

Morgan Grenfell Invest Fds Ltd (1000)H
20 Finsbury Circus, London EC2M 1UT

Old Mutual Fund Managers Ltd - Contd.

Dimensional Tst Mangmt Ltd (0900)F
1B5 Bishopsgate, London EC2M 3XS 071–410 0177

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
European Small Cos.	0		1487.8	1503.5	—	—
Japan Small Cos	0		1178.4	1201.3	—	—
UK Small Cos	0		1694.2xd	1768.6	—	—
US Small Cos	0		1520.7	1570.3	—	—

Discretionary Unit Fund Mngrs (1000)F
40 Clifton Street, London EC2A 4AY 071–377 8819

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Disc Inc Jan 27	5		198.4	223.6	—	2.79
Do Accum Jan 27	5		451.1	474.8	—	2.78

Duncan Lawrie Unit Management Ltd (0900)F
1 Hobart Place, London SW1 0HU 071 235 5534

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Smaller Companies	5¼		45.51	48.29	-0.09	1.41

Blackstone Franks UT Mngrs Ltd (0900)F
26–34 Old Street, London EC1V 9HL 071–250 3300

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Intl Gwth Portfolio Inc	6		69.63xd	74.07	+0.08	-
Intl Gwth Portfolio Acc	6		73.46xd	78.14	+0.08	-
Special Opportunity Inc	6		49.86	53.15	+0.28	-
Special Opportunity Acc	6		64.61	68.69	+0.3	-

For Brewin Dolphin see GEM Dolphin

GA Unit Trust Mngrs Ltd (1000)H
PO Box 237, York YO1 1LA 0345 581106/7

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
GANDA	6¼		218.4	230.9	-0.10	2.73
Cash* ♣	1½		49.70	50.44	—	4.88
Growth Portfolio	5¼		69.86	74.04	+0.04	1.09
Income Portfolio	5¼		59.29	62.70	+0.15	4.69

*C.A.R. – Compound Annual Rate

GEM Dolphin Investment Mgrs Ltd (0905)F
5 Giltspur St, London EC1A 9DE 071–236 8441

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Dolphin Special Sits	5½		161.5	172.7	-0.3	1.63
Dolphin Dividend	5½		79.04xd	84.68	+0.79	4.08
Dolphin Intl Gth & Inc	5½		199.6xd	213.5	+0.8	3.26
Dolphin UK & Gen	5½		41.78	44.68	+0.26	2.46
Dolphin Fund of Funds	5½		58.70	62.78	+0.2	-

GT Unit Managers Ltd (1200)H
Alban Gate, 14th Floor, 125 London Wall, London EC2Y 5AS
071–710 4567 Dealing:071–626 9431

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Amer Spec Sits	5¼		172.20	184.20	-0.10	0.00
European	5¼		527.80	563.40	+1.20	0.48
European Eqty & Bd Inc	5¼		44.10	46.89	+0.27	4.79
European Eqty & Bd Acc	5¼		45.86	48.78	+0.28	4.79
Far East & Gen	5¼		231.00	247.10	-0.60	0.00
Germany	5¼		110.60	117.20	+0.60	0.00
High Yield	5¼	C	47.50	50.00	—	8.50
High Yield Acc	5¼	C	47.50	50.00	—	8.50
Income Inc	5¼		142.90	152.90	—	4.74
Income Acc	5¼		151.40	162.00	+0.10	4.74
International	5¼		301.90	322.90	—	0.22
Intl Income	5¼		74.11	78.70	+0.15	4.31
Japan & General	5¼		373.60	397.20	-1.40	0.00
Korean Securities	5¼		57.72	61.74	-1.31	0.00
Orient Acc	5¼		114.70	122.70	+0.10	0.00
Smlr Cos Div Inc	5¼		43.76xd	46.80	-0.06	5.13
Smlr Cos Div Acc	5¼		47.47	50.77	-0.07	5.13
UK Capital (Inc)	5¼		160.20	167.10	-1.00	1.13
UK Capital (Acc)	5¼		271.70	290.60	-1.60	1.13
UK Spec Sits	5¼		78.26	83.70	-0.23	0.73
US & General	5¼		124.30	133.40	-0.20	0.00
W'wide Spec Sits	5¼		137.40	146.00	-0.20	0.00

Henderson Touche Remnant UTM (1200)F
PO Box 2157, Brentwood, Essex CM14 4ET
Enquiries 0277 262290 Dealing 0277 234772

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
UK Funds						
Special Sits	5¼		278.97	298.34	+0.29	1.28
Special Sits Acc	5¼		434.20	464.58	+0.45	1.28
Best of British	5¼		59.85	63.39	+0.33	2.83
UK Smaller Cos	5¼		118.38	127.25	-0.18	1.58
High Income Funds						
Income & Growth	5¼		257.32	274.03	+0.89	3.72
Accum & Growth Acc	5¼		691.71	736.63	+1.87	3.72
High Income	5¼	C	298.38xd	320.28	+0.59	4.21
Extra Income	5¼	C	262.48xd	279.72	+0.97	8.08
Pref & Gilt	5¼		45.20xd	48.56	+0.32	9.06
International						
International	5¼		246.15	261.82	+0.60	0.56
Global Bond	5¼		51.05xd	54.31	+0.28	8.55
Family of Funds	5¼		75.91xd	81.18	+0.21	0.14
Global Technology	5¼		143.57	153.53	-0.47	0.00
Overseas Funds						
Asian Enterprise	5¼		152.36xd	162.93	-0.84	0.62
European	5¼		441.78	470.30	+1.80	0.44
European Income	5¼		76.93	81.47	+0.44	2.81
European Smaller Cos	5¼		143.55	153.84	+0.55	0.00
Far Sp Sits	5¼		67.16	71.43	+0.35	0.20
Far Sp Sits Acc	5¼		71.94	76.52	+0.42	0.20
Japan Trust	5¼		203.77xd	218.80	-0.27	0.00
Japan Special Sits	5¼		231.92	248.82	-0.53	0.00
Pacific Smaller Cos	5¼		225.25	241.01	+1.21	0.00
North American	5¼		223.60xd	238.06	+0.57	0.42
American Smaller	5¼		99.25	106.06	+0.86	0.00
Exempt Funds						
Income & Growth	2½		226.20	234.70	+0.82	3.53
European	2½		187.24xd	192.91	+0.87	1.32
Japan	2½		197.69	204.91	-1.19	0.00
North American	2½		140.74xd	145.82	-0.29	0.84
Pacific Exempt	2		432.33	451.35	+1.84	0.94
Cygnet Tst	2½		63.58	67.43	+0.06	2.80
Henderson TR Pens Portfolio						
American Growth	6		52.86	56.02	+0.47	-
Far Sp Sits	6		67.69	81.36	+0.34	-
General Growth	6		40.70	43.14	+0.22	-
Global Tech	6		86.18	89.55	-0.19	-
Income Growth	6		39.72	42.10	+0.11	-
Japan Growth	6		24.96	26.44	-0.03	-
Smaller Cos	6		21.12	22.39	—	-
Special Opportunities	6		28.12	29.80	-0.02	-
W'wide Sp Sits	6		44.88	47.57	+0.16	-

Hill Samuel Unit Tst Mgrs (1200)F
NLA Tower Addiscombe Road, Croydon 081–686 4355

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
British	6		91.73	98.10	+0.45	1.59
Capital	6		159.90	171.00	+0.20	1.58
Dollar	6		320.10	342.30	-0.50	0.55
Enterprise Growth	6		306.50	327.80	+1.00	1.96
European	6		210.10	224.70	+0.86	0.40
Far East	6		279.60xd	299.00	+2.49	0.01
Financial	6		740.30	791.70	+0.60	1.81
Gilt & Fxd Int Inc	4		24.44xd	25.41	+0.14	7.73
High Yield	6		97.91	104.70	+0.30	4.34
Income & Growth	6		133.70	142.90	+0.40	3.64
International	6		231.60xd	248.00	+0.20	0.00
Japanese General	6		192.10xd	205.40	-7.00	0.00
Japan Tech	6		78.13xd	83.56	-0.34	0.00
Nat Resources	6		69.11	73.91	-0.10	0.00
Portfolio	6		67.54	72.23	+0.15	1.45
Smaller Cos	6		119.30	127.50	—	1.59
Special Sits	6		140.90	150.60	+0.50	1.71
UK Emerging Co's	6		89.07	94.19	+0.01	1.00
US Smaller Cos	6		78.61	84.07	-0.05	0.00

Old Mutual Fund Managers Ltd (1200)H
2 Bartley Way, Hook, Hants RG27 9XA 01256 768888

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Emerging Asia Acc	5½		193.60	210.00	-0.50	0.00
Emerging Asia Inc	5½		193.00xd	208.30	-0.40	0.00
European Acc	5½		259.90	280.10	+0.50	0.00
European Inc	5½		248.60	264.60	+0.40	0.00
Gold Trust Acc	5½		68.28	73.06	-0.85	0.21
Gold Trust Inc	5½		67.64	73.26	-0.84	0.21
Hong Kong Acc	5½		126.50	135.80	+0.18	1.62
Hong Kong Inc	5½		110.30	118.40	+0.18	1.62
Int Mngd PEP Acc	5½		64.60	59.65	+0.01	0.68
Int Mngd PEP Inc	5½		60.08	64.57	+0.01	0.68
Japan Acc	5½		104.00	111.00	-0.30	0.00
Japan Inc	5½		103.80	110.80	-0.29	0.00
Latin American Comp Acc	5½		62.63	68.02	+0.09	0.22
Latin American Comp Inc	5½		62.63xd	68.02	+0.08	0.22

Millennium Fund Management Ltd (1000)F
1 Harbour Exchange Square, EC14 9GE 071–512 0410

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
International	5½		$11.82	12.57	+0.21	-

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of AUTIF §§

INITIAL CHARGE: Charges made by a unit trust manager. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the buying price of units.

BUYING PRICE: Also called offer price. The price at which units are bought by investors.

SELLING PRICE: Also called bid price. The price at which units are sold back by investors.

TREATMENT OF MANAGER'S PERIODIC CHARGE: The letter C denotes that the trust deducts all or part of the manager's periodic charge from capital, contact the manager for full details of the effect of this course of action.

EXIT CHARGES: The letter E denotes that an exit charge may be made when you sell units, contact the manager for full details.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♠) - 1401 to 1700 hours; (♦) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Association of Unit Trusts and Investment Funds,
65 Kingsway,
London, WC2B 6TD.
Tel: 071-831-0898.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 71) 873 4378 for more details.

Prosperity Unit Trust Mngmt Ltd (1200)F
1 Sessions Hse Sq, Maidstone ME14 1XX 0622 674751

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
General	6		49.30xd	52.45	+0.22	2.27
International	6		83.95	88.78	+0.13	0.40
Gilt	6		23.67	24.40	+0.17	6.71
Income & Gwth	6		65.83	70.14	+0.27	4.38
European	6		48.81	51.93	+0.06	0.45
American	6		49.98	53.15	+0.18	–
Emerging Mkts	6		64.20	68.30	+0.36	0.05
UK Smaller Cos	6		27.83	29.61	-0.01	1.75
Gilt/Fixed Interest	5½		24.30xd	25.86	+0.15	7.22
Global PEP	6		35.81	38.10	-0.20	1.35

For Providence Capital see Old Mutual

Provident Mutual Unit Tst Mgrs Ltd (0905)H
25-31 Moorgate, London, EC2R 6BA 071-588 3903

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
PM Equity Gth	5		165.7	176.3	+1.1	1.78
PM European Gth	5		93.86	99.31	+0.61	0.40
PM Income & Gth	5	C	126.9	136.0	+0.7	3.38
PM Japan Gth	5		113.0	120.0	-0.9	–
PM Nth Amer Gth	5		110.9	118.0	-0.3	0.18
PM Overseas Gth	5		82.83	88.12	+0.01	–

Prudential Unit Trusts Ltd (1200)F
51-59 Ilford Hill, Ilford, Essex IG1 2DL 081-478 3377
Client Enquiry: 071-911 4498
Intermediary Dealing 071-911 4314
Pricebank 0426 925081

*Formerly Holborn Trust

Reliance Unit Mgrs. Ltd (1000)H
Reliance House, Tunbridge Wells, Kent 0892 510033

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
British Life	6		280.8	297.8	–	3.33

Rock Asset Mgmt (Unit Trust) Ltd (0905)F
Bulman House, Regent Centre, Gosforth
Newcastle upon Tyne NE3 3HD 091-285 2555

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Managed	5		89.37xd	94.82	–	2.35

Rothschild Fund Management (1000)F
St Swithin's Lane, London EC4 Dealers: 071-623 1000

Schroder Unit Trusts Ltd (1400)F
Senator House, 85 Queen Victoria St, EC4V 4EJ
ClientLine 0800 526535 BrokerLine 0800 526540

Sovereign Unit Tst Mngrs Ltd (1200)F
Watson Fields, Deansleigh Rd, Bournemouth 0202 435400

Standard Life Unit Trusts (0730)H
PO Box 141, 1 Tanfield, Edinburgh EH3 5RG 0800 393777

State Street Unit Trust Mangmt Ltd (1400)F
One Canada Sq, Canary Wharf, E14 5AF 071-416 2500

Stewart Ivory Unit Tst Mgrs Ltd (1200)F
45 Charlotte Sq, Edinburgh 031-226 3271

Thornton Unit Managers Ltd - Contd.

Tilney Unit Trust Management Ltd (1000)F
Admin: 5 Rayleigh Road, Hutton, Brentwood, Essex
Enquiries 0277 227300 Dealing 0277 690421

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
UK Smaller Cos	5		96.44	102.60	–	1.06

United Friendly Unit Tst Mngrs Ltd (1200)F
5 Rayleigh Rd, Hutton, Essex 0277 690336

Waverley Unit Tst Mngmt Ltd (1000)F
13 Charlotte Sq, Edinburgh 031-225 1551

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Australasian Gold	6		20.49	22.18	-0.04	–
Pacific Basin	6		41.81	44.47	-0.12	–
Global Bond	4		50.8678	0.8935	-0.008	–
Penny Share	0		32.67	34.75	+0.06	–

Whittingdale Unit Tst Mgmt Ltd (0830)F
2 Honey Lane London EC2V 8BT 071-600 0402

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Challenger	2½		92.96	95.11	-0.53	0.00
Short Dtd Gilt	1¼		116.0	117.5	-0.32	0.00
U.S. Govmnt Bond	1½		50.7361	0.7457	-0.002	3.84
Gilt Income	4		48.83xd	50.82	-0.25	7.75
Gilt Growth	4		68.29	71.71	-0.22	0.00
City Reserve	0		51.9848	51.99	+0.02	5.62

Woolwich Unit Trust Managers Ltd (1700)H
1 White Oak Square, Swanley BR8 7AG 081-298 4000

	Init Chrge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
UK Stockmarket Fd	5		74.29	79.13	+1.84	2.68
International Mgd	5		47.62	50.00	–	1.23

OTHER UK UNIT TRUSTS

Baillie Gifford & Co Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Int'l Exmt Jan 18	724.6	748.9	–	1.01

Baring Fund Managers Ltd
155 Bishopsgate, London EC2M 3XY
071-214 1000 general enquiries 071-214 1004 dealing

	Selling Price	Buying Price	+ or -	Yield Gross
Charitable Funds				
UK Growth & Income	54.25	56.14	–	3.2
Income Plus	48.02	49.07xd	–	7.5

CAF – Charity Money Management
48 Pembury Rd, Tonbridge TN9 2JD 0732 770114

	Selling Price	Buying Price	+ or -	Yield Gross
Balanced Growth	67.03	69.65	–	4.35
Income	56.10	56.56	–	6.52

CIM Unit Trust Managers Ltd

Cent. Bd. of Fin. of Church of England‡
2 Fore Street, London EC2Y 5AQ 071-588 1815

	Selling Price	Buying Price	+ or -	Yield Gross
Inv Fund Dec 31	645.25	651.70	–	4.75
Fxd Int Sec Dec 31	147.10	147.45	–	9.83

Deposit Fund: See Money Market Trust Funds

Chariguard UK Equity Fd/Fixed Int Fd
10 Fenchurch St, London EC3M 3LB

Charinco/Charishare‡ (1000)F
33 King William Street, EC4R 9AS

COIF–Charities Official Inv Fd‡
2 Fore Street, London EC2Y 5AQ 071-588 1815

Deposit Account: see Money Market Trust Funds

Charity Fixed Int Fd/Charity Equity Fd

Edinburgh Fund Mngrs PLC

Ely Place Investments Ltd

Fidelity Investment Services Ltd

Fledgeling Charity Portfolio

Robert Fleming Asset Mangmt Ltd

Foreign & Colonial Unit Management Ltd

Funds in Court*

GAM Instit. Exempt Trust

Glasgow Investment Managers Ltd

Govett (John) Unit Mngmt Ltd

Guinness Flight Exempt Investment Funds

HSBC Asset Management Europe Ltd

Henderson Touche Remnant UTM

INVESCO Asset Management Ltd

Jupiter Unit Trust Managers Ltd

Lazard Investors Ltd ‡

Local Authorities Mutual Invest. Tst.*

M & G Securities Ltd

Morgan Grenfell Investment Funds Ltd

Morgan Stanley International

Murray Johnstone UT Mngmt

NatWest Investment Management Ltd

PDFM Unit Managers Ltd

J. Rothschild Fund Managers Ltd.

	Selling Price	Buying Price	+ or -	Yield Gross
Intl Exempt Accum	217.9	220.5	+1.00	2.15

Stewart Ivory & Co Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Saints PPP Jan 16	420.3	442.4	–	–

Closed to new business

Templeton Unit Trust Managers Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Exempt Trust Jan 16	95.32	98.27	–	1.44

Thornton Unit Managers Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Managed Exempt Sep 30	126.33	131.42xd	-14.21	2.8
(Accum Units)	144.69	150.53xd	-16.27	2.8

INSURANCES

AIG Life
22 Addiscombe Road, Croydon CR9 5AZ 081-680 7172

	Selling Price	Buying Price	+ or -	Yield Gross
Distribution	84.3	88.9	+0.5	7.6

AXA Equity & Law Life Assce
Amersham Road, High Wycombe 0494 463463

	Selling Price	Buying Price	+ or -	Yield Gross
UK Equities Ser 6	928.0	974.7	+3.4	–
Higher Income Ser 6	999.2	1051.7	+2.9	–
Property Ser 6	579.4	609.8	–	–
Fixed Interest Ser 6	427.4	449.9	+2.1	–
Index Lnkd Secs Ser 6	176.7	186.0	+0.9	–
Gtd Deposit Ser 6	297.8	313.2	–	–
Nth America Ser 6	425.2	447.5	+1.9	–
Far East Ser 6	520.6	547.8	+2.3	–
Europe Ser 6	349.9	368.3	+1.5	–
International Ser 6	521.9	549.3	+2.1	–
Balanced Ser 6	681.5	717.3	+2.6	–
Reserve Ser 6	157.3	165.5	+0.5	–
Opportunity Ser 6	152.5	160.5	+0.7	–
Distribution Ser 6	98.0	103.1	+0.3	6.98
Pens Equity Ser 3 (z)	1269.5	1336.3	+4.8	–
Pens Higher Inc S 3 (z)	310.0	326.3	+1.7	–
Pens Fixed Int S 3 (z)	543.6	572.2	+0.3	–
Pens Index-Linked Ser 3 (z)	227.8	239.7	+0.2	–
Pens Property S 3 (z)	561.6	591.3	–	–
Pens N America S 3 (z)	183.1	192.7	+0.5	–
Pens Far East S 3 (z)	280.3	295.0	+1.8	–
Pens Europe S 3 (z)	189.4	199.3	+0.3	–
Pens Overseas S 3 (z)	755.6	795.3	+3.0	–
Pens Balanced S 3 (z)	769.3	809.7	+2.2	–
Pens Cash S 3 (z)	439.9	463.0	–	–
Pens DAF Series 3(z)	244.5	257.3	–	–
Pens DAF Series 1(z)	488.3	513.9	–	–
Pens Opportunity S 3 (z)	162.3	170.8	+0.4	–
Pens Reserve S 3 (z)	178.9	188.3	+0.1	–
Pens Dist S 3	92.7	97.5	+0.2	–

Abbey Life Assurance Co Ltd
80 Holdenhurst Road, Bournemouth 0202 292373

Abbey National Life Plc
201 St Vincent Street, Glasgow 041 305 8000

For Acorn Life see United Friendly Group

AEGON Life Assurance Co (UK) Ltd
AEGON Hse, Lanark Sq, London E14 9QG 071-538 8000

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar EN6 1AJ 0707 663000

Allied Dunbar Assurance Plc

American Life Insurance Co UK

Barclays Life Assur. Co Ltd

Britannia
50 Bothwell Street, Glasgow G2 6HR 041-248 2000

Canada Life Group
High St, Potters Bar, Herts, EN6 5BA 0707 651122

Century Life Plc
5 Old Bailey, London EC4M 7BA 071-332 5000
Fund Focus Freephone 0800 581005

City of Westminster Assurance (z)
Victoria St, St Albans, Herts, AL1 3TF

Clerical Medical/Fidelity Investments
Narrow Plain, Bristol BS2 0JH 0117 9290290

Colonial Mutual Group

Commercial Union Group

Consolidated Life Assurance Co Ltd

Crown Financial Management Ltd

Eagle Star Insur/Midland Assur.

Equitable Life Assurance Society

Eurolife Assurance Company Ltd
Eurolife Hse, 16 St John St, EC1M 4AY 071-454 0105

Family Assurance Friendly Society Ltd (z)
17 West St, Brighton BN1 2RL 0273 724570

Friends Provident
Castle Street, Salisbury, Wilts SP1 3SH 0722 413366

Hill Samuel Life Assur. Ltd

Homeowners Friendly Society Limited

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FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 71) 873 4378 for more details.

	Selling Price	Buying Price	+ or -	Yield Gross
Lincoln National - Contd.				
Pensions				
UK Equity Growth	782.6	823.8		–
High Income/UK Equity Income	816.1	859.2	+0.58	–
UK Equity Recovery	214.3	225.5		–
Global/International	171.7	180.7	-1.7	–
International Smaller Cos	416.9	438.8	—	–
UK Fixed Interest	365.3	385.6		–
Int Cur Bond Fixed Interest	179.4	188.8	+0.40	–
Index-linked Linked Gilt	240.9	253.5	+0.20	–
Deposit/Money	547.7	576.5	—	–
Property Shares	351.7	370.2		–
North American	1128.7	1188.1	-7.9	–
Far Eastern	492.6	518.7	+2.10	–
Japan	204.7	215.5		–
European	178.1	187.5	-0.1	–
International Money	457.9	478.0	+0.80	–
Unitised With Profits	372.8	392.1		–
Managed 2	220.1	231.7	+0.10	–
Managed 3	782.7	782.3	+0.60	–
Managed 4	244.8	257.6	—	–
Schroders	538.5	566.7	—	–
Perpetual	114.9	120.9	—	–
Framlington	93.8	98.7	—	–
Gwest	119.6	125.8	—	–
Stockmarket Bonus	105.4	110.9	—	–
Global Market Bonus	98.8	104.1	—	–
Property	497.0	523.2	+0.10	–
ex Cannon				
2nd Equity	602.9	634.6	+1.10	–
Equity Units	2125.40		+0.22	–
Balanced Bond/Exec	564.21	67.59	+0.01	–
2nd Equity Pension	1088.5	1143.7	+2.80	–
2nd Property	248.1	261.1	—	–
2nd Property Pension	486.5	512.1	—	–
ex Citibank				
Ferrymead Road, Haywards Heath 0444 414111				
Schroders Ser 1	371.8	391.3	—	–
Schroders Acc Ser 3	147.4	150.4	—	–
Equity Ser 1	526.9	554.8	—	–
Equity Acc Ser 3	150.4	158.5	—	–
London Life				
100 Temple St, Bristol BS1 6EA 0117-9847777				
Life Funds				
Equity		477.00	+2.10	–
Fixed Interest		408.80	+1.30	–
Property		417.100	+0.10	–
Deposit		233.70		–
Mixed		578.10	+0.90	–
Index Stock		265.40		–
International		276.70	-0.30	–
Equity (A/B)	202.50	214.30	+0.50	–
Fixed Interest (A/B)	181.30	190.90	+0.80	–
Property (A/B)	183.30	193.10	—	–
Deposit (A/B)	172.60	181.80		–
Mixed (A/B)	190.00	200.10	+0.30	–
Index Stock (A/B)	161.60	170.20		–
International (A/B)	172.90	182.10	-0.10	–
Pension Funds				
Equity (P)		721.20	+2.80	–
Fixed Interest (P)		538.50	+2.00	–
Property (P)		338.20	—	–
Deposits (P)		345.80		–
Mixed (P)		529.40	+1.30	–
Index Stock (P)		238.40		–
International (P)		319.00	-0.10	–
Equity (s/f)	180.80	189.40	+0.70	–
Fixed Interest (s/f)	178.80	188.40	+0.70	–
Property (s/f)	146.30	154.10	+0.10	–
Deposit (s/f)	175.60	185.00		–
Mixed (s/f)	163.53	172.30	+0.50	–
Indexed Stock (s/f)	180.60	189.10		–
International (s/f)	164.70	173.50	-0.10	–
For all transactions to series A units the sell price will be used				
London & Manchester Assurance (z)				

	Selling Price	Buying Price	+ or -	Yield Gross
Midland Life Limited - Contd.				
Midland Pensions 0703 723456				
Pens Adventurous	146.3	154.1	+0.2	–
Pens Balanced	148.4	156.3	+0.5	–
Pens Defensive	140.8	148.3	+0.6	–
Pens Secure	123.1	129.6	+0.1	–
Pens UK Equity	160.1	168.6	+0.2	–
Pens International	137.2	144.5	+0.1	–
Pens Money Market	123.1	129.6	+0.1	–
Pens Fixed Interest	137.0	144.3	+1.1	–
Cash Holding Fund (B f/ce Fd)	97.5	102.7		–
Pens Guaranteed	100.9		+0.7	–
Cash Holding Fund (Br Gr Fd)	97.6	102.8	—	–
Pens Higher Growth	98.9		+0.1	–
N & P Life Assurance Ltd				
Provincial Hse, Bradford BD1 1NL 0274 737086				
Life Managed Fd	137.9	145.1	+0.4	–
Pension Managed Fd	147.1	154.8	+0.6	–
Life Deposit Fd	127.1	133.8	—	–
Pension Deposit Fd	141.5	148.9	+0.1	–
NPI				
National Provident Hse, Tunbridge Wells 0892 515151				
Managed	459.6	483.6	+1.1	–
European	124.7	131.2	+0.2	–
UK Equity	572.2	602.3	+1.3	–
Overseas Eq.	446.5	469.9	+1.4	–
American	379.1	399.0	-0.4	–
Far East	489.8	515.7	-0.7	–
Property	218.9	230.4	+0.3	–
Fixed Int	373.4	393.0	+2.1	–
Indexed Gilt	225.3	237.1	+1.2	–
Classic Distribution	91.6	96.5	+0.1	–
Higher Equity Distribution	89.8	94.6	+0.1	–
Deposit	217.7	229.1	—	–
With Profit	135.60	142.74	+0.02	–
With Profits Series II	103.68	109.43	+0.02	–
Pension Fund				
Managed	683.0	718.9	+1.2	–
UK Equity	788.5	830.1	+1.8	–
Overseas Eq.	799.3	841.3	—	–
American	482.6	507.9	-0.5	–
Far East	906.9	954.6	-1.8	–
Global Core	80.0	84.2	-0.1	–
Property	288.2	303.3	+0.2	–
Fixed Int	467.1	491.6	+2.7	–
Indexed Gilt	237.0	249.4	+1.2	–
Distribution	96.3	101.3	+0.2	–
Deposit	326.3	343.4	—	–
NPI Pensions Management Ltd				
Managed Fund	1537.3	1615.8	+5.5	–
Prices January 4 Next dealing February 1				
National Mutual Life				
The Priory, Priory Pk, Hitchin, SG5 2DW 0462 422422				
Barometer Pension Funds				
Managed	232.1	244.3	+1.0	–
UK Equity	243.1	255.9	+1.4	–
Overseas Equity	202.5	213.2	+0.3	–
Fixed Interest	218.4	229.9	+1.1	–
Property	170.9	179.9	+0.6	–
Index Linked	190.4	200.4	+0.7	–
Deposit	201.7	212.3	+0.1	–
1994 Focus Retirement	102.6	108.2	+0.3	–
1995 Focus Retirement	103.0	108.4	+0.3	–
1996 Focus Retirement	102.4	107.8	+0.4	–
1997 Focus Retirement	101.1	106.4	+0.4	–
1998 Focus Retirement	99.5	104.7	+0.4	–
1999 Focus Retirement	85.3	89.8	+0.3	–
Gilt/bond	89.2	93.9	+0.1	–
Safety First (floor price 85p)	102.8	108.2	+0.1	–
National Westminster Life Assce Ltd				
PO Box 595, Trinity Quay, Bristol BS99 6LJ 0272 404201				
Life Funds				
Security Managed	108.1	113.8	+0.5	–
Growth Managed	112.0	117.9	+0.3	–
Opportunity Managed	114.5	120.6	+0.2	–

	Selling Price	Buying Price	+ or -	Yield Gross
Zurich Life Assurance Co Ltd				
11 Guildhall Walk, Portsmouth PO1 2LR 0705 822200				
UK Managed	157.8	166.1	+0.1	–
International	155.9	164.2	-0.1	–
Swiss	227.9	239.9	+0.9	–
UK Equity	163.7	172.4	-0.1	–
UK Gilt & Fixed Int	140.2	147.6	+0.8	–
Security	139.8	147.2	—	–
Guaranteed Deposit	129.5	136.3	—	–
Pens UK Balanced	96.3	101.4		–
Pens International	90.5	95.2	-0.1	–
Pens Swiss	104.5	110.0	+0.6	–
Pens UK Equity	96.6	101.7	—	–
Pens UK Gilt & Fixed Interest	92.0	96.8	+0.5	–
Pens Security	99.9	105.1	—	–

MANAGEMENT SERVICES

	Selling Price	Buying Price	+ or -	Yield Gross
Capital Trust Financial Management				
8–10 Brook St, Coleraine Co. Londonderry 0265 58500				
Investment Portfolio	201.2	211.8	+0.5	–
Executive Pension	158.5	166.9	+1.8	–
Managed Growth	117.1	123.1	+0.1	–
DBS Financial Management Ltd				
Independence Hse, Holly Bk Rd, Huddersfield 0484 422224				
DBS Personal Portfolio				
Adventurous	82.3	86.6	—	–
Balanced	83.0	87.3	—	–
Cautious	80.8	85.0	—	–
Deposit	98.1	103.2	—	–
Emerging Markets	67.8	71.3	—	–
Friendly Endeavour	87.4	92.0	—	–
Fairmount Trust Plc				
Fairmount House, Leatherhead, KT22 7AY 0372 370000				
Secure	123.40	129.90	-0.50	–
Growth	128.90	135.90	-3.90	–
Pension Secure	111.30	117.10	-0.70	–
Pension Growth	118.50	124.70	-3.80	–
Pension International	125.00	131.60	-4.90	–
Foster & Braithwaite Ltd				
3 London Wall Bldgs, London EC2M 5RB 071 588 6111				
Managed Pension		61.8	—	–
Managed low Tst Pension		75.2	—	–
Hurstminster Financial Services(Pty) Ltd				
HFS Cdl Bgt Inc & Securities Acc	42.50	45.80	—	–
HFS Cdl Bgt Inc & Securities Cap	38.00	42.00	—	–
HFS Cdl Intl Mgd Acc	73.1	78.7	—	–
HFS Cdl Intl Mgd Cap	53.8	57.9	—	–

	Selling Price	Buying Price	+ or -	Yield Gross
IPS Capital Management PLC				
18–21 Queen Sq, Bristol BS1 4NH 0272 226877				
Recommended Pfolio	130.1		+0.1	–
Recommended Pfolio Acc	138.0	140.0	+0.0	–
Select Equities P'folio	134.3		—	–
Private Portfolio(z)	176.5	185.7	—	–
International Service Group Ltd				
Rua de Arcos 508A, 2750 Cascais, Portugal 3511 486 0037				
Purple Managed Portfolio	153.1	161.1	+0.6	–
Johnson Fry Asset Managers Plc				
20 Regent Street, London, SW1Y 4PZ 071-930 5688				
JF M&G Managed WPF Dt	229.2	240.7	—	–
JF Protected Latin Bond	390.7		—	–
JF Recovery	110.2	116.0	—	–
JF M&G WPF	203.7	214.0	—	–
Knight Williams & Company Ltd				
161 New Bond Street, London W1Y 0LA 071-408 1138				
KW Global Inc & Gth	156.3	164.5	+0.1	–
KW Principal Portfolio	133.4	140.4	+0.2	–
KW Cautious Portfolio	118.2	124.4	+0.2	–
KW British Portfolio	130.0	136.8	+0.1	–
KW Cautious British	127.5	134.2	+0.1	–
KW Aggressive Gth Portfolio	170.5	179.4	-0.5	–
KW Income Distribution	99.5	104.7	+0.4	–
KW International	130.6	137.4	-0.1	–
KW Investment Trust	142.1	149.5	—	–
KW Albany	141.4	148.8	+0.1	–
KW Albany (inst)	109.8	115.5	—	–
KW Henderson	117.5	123.7	-0.4	–
KW M&G	160.0	168.1	+0.1	–
KW M&G (cap)	83.10	87.30	—	–
KW Scottish Provident (inc)	145.2	152.9	+0.4	–
KW Scottish Provident (mixed)	135.8	143.0	—	–
KW Scottish Provident (cap)	108.3	114.1	—	–
KW Global Inc & Gth Cap	138.8	145.8	+0.2	–
FW Offshore Portfolio	120.100		—	–
KW Haven Portfolio	99.9	105.1	—	–
FR-R Life Int Global Inc & Gth	£1.323	1.323	—	–
FA-R Life Int Secure Inc & Gth	£1.167	1.167	—	–
Macartney & Dowie Invest Mngt Plc				
40 Corbie Green Rd, Brentwood, Essex 0277 374030				
Mega Fund (GK)	171.7	180.7	+0.7	–
Mngd Portfolio (RH)	163.8	172.5		–
Mngd Pensions (M&G)	155.1	162.9	+0.5	–
Worldwide Inc (PC)	121.40		+0.7	–
Pensions				
Managed Fund (SK)	241.8	254.3	—	–
Retired Stdy (Scottish)	95.4	98.9	—	–
Offshore Funds				
Universal (Abt)		143.0	—	0.0
Marsh Financial Management PLC				
4–14 Mount Sion, Tunbridge Wells 0892 515810				
Managed Pension Portfolio	122.8	129.3	+0.5	–
Cautious Pension Portfolio	122.8	129.3	-0.4	–
Managed Pension Fund	81.5	85.8	+0.2	–
Roxborough Financial Management Ltd				
8 Broad St Pl, Blomfield St, EC2M 7JH 071-628 8222				
Managed Fd (NM)	171.3	178.2	-1.0	–
Discretionary Fd (NM)	189.9	199.8	—	–
Multi-Trust Fd (SAut)	124.5	131.0	—	–
Master Fund (SM)	173.4	182.5	—	–
Charles Stanley & Co Ltd				
25 Luke Street, London EC2A 4AR 071-739 8200				
Ch Stanley NHL Fd	484.3	509.8	—	–
UFC				
Saxon House, Heritage Gate, Derby 0332 383388				
UFC Secure (RH)	132.7	139.7	—	–
UFC Growth (RH)	112.4	118.4	—	–
UFC NOSS (RH)	250.8	264.0	—	–
J. D. Ward Financial Services Ltd				
20 Little Britain, London EC1A 7DH 071 776 4057				
J.D. Ward Mngd Pens	161.8	170.5	+0.7	–
Albany Life Acc	239.5	252.0	+0.5	–
Albany Worldwide Pens.	348.9	365.1	+0.1	–
M&G Tripos Pen Acc	244.9	257.3	–	–
FEFC WS Growth (Pen acc)	235.8	247.9	–	–
Scottish Equitable Pension	151.2	159.2	+0.7	–

Money Market Trust Funds

	Gross	Net	Gross CAR	Int Cr
CAF Money Management Co Ltd				
48 Pembury Road, Tonbridge TN9 2JD 0732 770114				
Calcash Deposit Fund	5.76	–	5.88	3-Mth
Deposits Over £1 million	5.86	–	5.99	3-Mth
Deposits Over £2 million	5.96		6.09	3-Mth
The COIF Charities Deposit Account				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	5.90	–	6.03	3-Mth
Cent. Bd. of Fin. of Church of England‡				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	6.00	–	6.14	3-Mth

Money Market Bank Accounts

	Gross	Net	Gross CAR	Int Cr
Allied Trust Bank Ltd				
25 Dowgate Hill, London, EC4R 2AT 071-626 0879				
FDMMA (£2,001+)	6.54	4.90	6.54	Yearly
TREMMA (£2,001+)	5.85	4.39	5.85	Yearly
TOMMA (£2,001+)	5.64	4.23	5.64	Yearly
OMMA (£2,001+)	5.33	3.99	5.33	Yearly
HICA (£2,001+)	4.00	3.00	4.07	Mth
HIBCA (£2001+)	4.00	3.00	4.07	Mth
Premier TESSA	6.87	5.15	6.87	Yearly
SMMA (£2,001-£9,999)	6.70	5.02	6.70	Yearly
SMMA (£10,000+)	6.96	5.22	6.96	Yearly
American Express Bank Ltd				
Sussex House, Burgess Hill RH15 9AQ 0444 232444				
High Performance Cheque Account				
£500-£999.99	1.00	0.75	1.00	Mth
£1,000-£4,999.99	3.50	2.63	3.56	Mth
£5,000-£9,999.99	3.75	2.81	3.82	Mth
£10,000-£24,999.99	4.00	3.00	4.07	Mth
£25,000-£49,999.99	4.25	3.19	4.33	Mth
£50,000+	4.75	3.56	4.85	Mth
Arbuthnot Latham & Co Ltd				
30 City Road, London EC1Y 2AY. 071-638 6070				
Treasury Account – for professional advisers				
£25,000-£49,999	4.75	3.5625	4.85	Mth
£50,000 or more	5.00	3.75	5.12	Mth
Modify Inc Acc – for personal and business clients				
Up to £9,999	3.25	2.4375	3.30	Mth
£10,000 – £24,999	4.00	3.00	4.07	Mth
£25,000 – £49,999	4.50	3.375	4.59	Mth
£50,000 or more	4.75	3.5625	4.85	Mth
Money Market quotations - please telephone				
Bank of Ireland High Interest Cheque Acc				
36–40 High St, Slough SL1 1EL 0753 516516				
£10,000 +	4.000	3.000	4.080	Qtr
£2,000-£9,999	3.00	2.250	3.034	Qtr
Bank of Scotland				
38 Threadneedle St, EC2P 2EH 071-601 6446				
MM Chq Acc £2,500-£9,999	4.00	3.00	4.07	Mth
£10,000-£24,999	4.50	3.38	4.59	Mth
£25,000-£249,999	4.75	3.56	4.85	Mth
£250,000+	6.00	4.50	6.17	Mth
Barclays Select				
PO Box 120, Westwood Bs Pk, Coventry 0800 400100				
£2,000-£9,999	4.75	3.56	4.75	Yearly
£10,000-£24,999	5.25	3.94	5.25	Yearly
£25,000-£49,999	5.50	4.13	5.50	Yearly
£50,000-£99,999	5.60	4.20	5.60	Yearly
£100,000+	5.75	4.31	5.75	Yearly
Barclays Prime Account H.I.C.A.				
Wavertree Boulevard, Liverpool 051-254 6238				
£1,000-£2,499	2.50	1.88	2.52	Qtr
£2,500-£9,999	2.75	2.06	2.78	Qtr
£10,000-£24,999	3.25	2.44	3.29	Qtr
£25,000+	3.75	2.81	3.80	Qtr
Brown Shipley & Co Ltd				
Founders Court, Lothbury, London EC2 071-606 9833				
HICA	4.75	3.56	4.90	Qtr
Prol Demand A/c	4.75	3.56	4.99	Qtr
Caledonian Bank Plc				
8 St Andrew Square, Edinburgh EH2 2PP 031 556 8235				
HICA	5.75	4.3125	–	Yearly

	Gross	Net	Gross CAR	Int Cr
Cater Allen Ltd				
20 Birchin Lane, London EC3V 9DJ 071-623 2070				
HICA/MMA	4.37	3.28	4.46	Mth
CHICA MASTER PLUS	4.25	–	3.18	–
Fixed £50,000+ 1 Mth	5.87	–	6.04	Mth
Overnight £50,000+	4.37	–	4.46	Mth
Charterhouse Bank Limited				
1 Paternoster Row, EC4M 7DH 071-248 4000				
£2,500-£19,999	4.50	3.38	4.59	Mth
£20,000-£49,999	4.75	3.56	4.85	Mth
£50,000-£99,999	5.00	3.75	5.12	Mth
£100,000+	5.25	3.94	5.38	Mth
$5,000-$49,999	3.50	2.63	3.56	Mth
$50,000-$99,999	4.00	3.00	4.07	Mth
$100,000-$199,999	4.25	3.19	4.33	Mth
$200,000+	4.50	3.38	4.59	Mth
Many other currencies are available – for rates please phone us				
Clydesdale Bank Flexible Solution Acc				
30 St Vincent Place, Glasgow G1 2HL 041-248 7070				
£10,000-£49,999	4.00	3.00	4.06	Qtr
£50,000-£249,999	4.25	3.19	4.32	Qtr
£250,000 and over	5.00	3.75	5.09	Qtr
The Co-operative Bank				
PO Box 300, Skelmersdale, Lancs 0345 252000				
TESSA	6.25	–	–	Yearly
Pathfinder – Card Based Current Account				
All Balances	5.72	4.29	5.87	Mth
Investment 90 - 90 Day Notice Savings				
£50,000+	5.56	4.17	5.64	6-Mth
£25,000-£49,999	4.81	3.61	4.87	6-Mth
£10,000-£24,999	4.31	3.23	4.36	6-Mth
£5,000-£9,999	3.31	2.48	3.34	6-Mth
Top Tier – Instant Access Savings				
£50,000+	3.50	2.63	3.53	6-Mth
£10,000-£49,999	3.00	2.25	3.02	6-Mth
£5,000-£9,999	2.00	1.50	2.01	6-Mth
Business Deposit – Instant Access				
£250,000+	4.72	3.54	4.78	6-Mth
£50,000-£249,999	3.69	2.77	3.72	6-Mth
£10,000-£49,999	3.41	2.56	3.44	6-Mth
£500-£9,999	3.06	2.30	3.08	6-Mth
30–90 day notice available Tel 0345 213213				
Coutts & Co				
440 Strand, London WC2R 0QS 071-753 1000				
Coutts Composite Account for clients money				
15 Lombard Street, London EC3V 9AU 071-623 1010				
Rates negotiable up to	5.625	–	–	–
Dao Heng Bank (London) PLC Premier Acc				
10 Angel Court, London EC2R 7HP 071-600 1016				
£20,000+	5.50	4.13	5.61	Qtr
£10,001-£20,000	4.50	3.38	4.58	Qtr
£2,500-£10,000	4.00	3.00	4.06	Qtr
Savings Account	3.00	2.25	3.03	Qtr
Davenham Tst Plc–Davenham 500 Acc				
11 St John St, Manchester M3 4DU 061-832 8434				
£10,000+ 6 Mths	8.25	6.1875	8.42	6-Mth
£10,000+ 1 Year	8.75	6.5625	8.75	Yearly
£500+ Fixed Rate to 2 Yrs	9.00	6.75	9.00	–
Fidelity Money Market Account				
Fidelity Brokerage Services Ltd, Kingswood Place				
Tadworth Surrey, KT20 6RD				
£1-£999	1.50	1.125	1.51	Qtr
£1,000-£9,999	4.50	3.375	4.58	Qtr
£10,000-£24,999	5.00	3.750	5.09	Qtr
£25,000-£99,999	5.50	4.125	5.61	Qtr
£100,000+	5.70	4.275	5.82	Qtr
£500,000+ Money Market Rates on request				
Halifax Bldg Soc Asset Reserve Cheque Acc				
Trinity Road, Halifax HX1 2RG 0422 335333				
Rates for personal customers				
£50,000 and above	6.20	4.65	6.35	Qtr
£25,000 to £49,999	5.85	4.39	5.98	Qtr
£10,000 to £24,999	5.50	4.13	5.61	Qtr
£5,000 to £9,999	4.25	3.19	4.32	Qtr
Rates for non-personal customers				
£50,000 and above	5.60	4.20	5.72	Qtr
£25,000 to £49,999	5.10	3.83	5.20	Qtr
£10,000 to £24,999	4.85	3.64	4.94	Qtr
£5,000 to £9,999	4.00	3.45	4.03	Qtr
Julian Hodge Bank Ltd				
10 Windsor Place Cardiff CF1 3BX 0222 220800				
6 Mth Fixed Rate Deposit Acc	7.25	5.44	7.38	–
3 Mth Fixed Rate Deposit Acc	6.75	5.06	6.92	–
1 Mth Fixed Rate Deposit Acc	6.50	4.88	6.70	–
Humberclyde Finance Group				
5 Bartley Way, Hook, Basingstoke 0256 700000				
£50,000+	5.75	4.31	5.83	Qtr
Leopold Joseph & Sons Limited				
29 Gresham Street, London EC2V 7EA 071-588 2323				
Treasury High Interest Cheque Account				
£25,000-£100,000	5.500	4.1250	5.6146	Qtr
£100,001 plus	5.750	4.3125	5.8751	Qtr
Kleinwort Benson Private Bank				
A division of Kleinwort Benson Investment Management Ltd				
PO Box 2500, Bournemouth, BH1 1BY 01202 502494				
H.I.C.A. (£2,500+)	5.00	3.94	5.19	Qtr
Lloyds Bank – Investment Account				
71 Lombard St, London EC3P 3BS 0272 433372				
£100,000 and above	5.75	4.31	5.75	Yearly
£50,000+	5.40	4.05	5.40	Yearly
£25,000+	5.20	3.90	5.20	Yearly
£10,000+	5.00	3.75	5.00	Yearly
Midland Bank plc				
PO Box 2, Sheffield 0742 585640				
Exchequer Acc £5000+	4.25	3.18	4.25	Yearly
£10,000+	5.00	3.75	5.00	Yearly
£25,000+	5.50	4.12	5.50	Yearly
£50,000+	5.75	4.31	5.75	Yearly
TESSA	5.75	–	5.75	Yearly
Nationwide Bldg Soc – Businessinvestor				
Business High Interest Cheque Account				
Pipers Way, Swindon SN38 1BN 0800 225500				
£2,000-£4,999	3.60	2.70	3.65	Qtr
£5,000-£9,999	4.10	3.08	4.16	Qtr
£10,000-£24,999	4.60	3.45	4.68	Qtr
£25,000-£49,999	5.10	3.83	5.20	Qtr
£50,000+	5.50	4.13	5.61	Qtr
Portman Bldg Soc Prestige Cheque Account				
Richmond Hill, Bournemouth, BH2 6EP 0800 563863				
£50,000+	5.50	4.13	5.50	Yearly
£30,000-£49,999	5.00	3.75	5.00	Yearly
£20,000-£29,999	4.50	3.38	4.50	Yearly
£10,000-£19,999	3.50	2.63	3.50	Yearly
£2,500-£9,999	2.50	1.88	2.50	Yearly
Rea Brothers Limited, Bankers				
Aldermans Walk, London EC2M 3XR 071-623 1155				
Professionals' Client Account	5.75	4.31	5.90	Mth
Professionals' Office Account	5.25	3.93	5.38	Mth
£5000+ Instant Access Chq Acc	5.25	3.93	5.35	Qtr
Royal Bank of Scotland plc Premium Acc				
42 St Andrew Sq, Edinburgh EH2 2YE 031-523 8302				
£50,000+	4.25	3.19	4.32	Qtr
£25,000 – £49,999	4.00	3.00	4.06	Qtr
£10,000 – £24,999	3.25	2.44	3.29	Qtr
£5,000 – £9,999	2.50	1.88	2.52	Qtr
£2,000 – £4,999	2.00	1.50	2.02	Qtr
Save & Prosper/Robert Fleming				
16–22 Western Rd, Romford RM1 3LB 0800 282101				
Client Account	4.63	3.47	4.73	Daily
TESSA Fixed 1 Year	6.55	–	6.75	Mth
TESSA Variable	5.84	–	6.00	Mth
J. Henry Schroder Wagg & Co Ltd				
120 Cheapside, London EC2V 6DS 071-382 3301				
Special Acc.	4.75	3.56	4.85	Mth
£10,000 and above	5.00	3.75	5.12	Mth
Fixed Deposits available - rates on request				
United Dominions Trust Ltd				
PO Box 92, Herts, EN4 0DY 081-447 2438				
Capital Plus Cheque Account				
£7,000+	5.75	4.31	5.88	Qtr
United Trust Bank Ltd				
1 Great Cumberland Pl, London W1H 7AL 071-258 0034				
£10,000 – 90 day notice	7.75	5.81	7.98	3-Mth
£10,000 – 180 day notice	8.50	6.38	8.69	6-Mth
£25,000 – 1 Year	8.75	6.56	–	Yearly
Western Trust High Interest Cheque Acc				
The Moneycentre, Plymouth PL1 1SE 0752 224141				
£15,000+	5.75	4.31	5.88	Qtr
£5,000-£14,999	5.50	4.13	5.61	Qtr
£1,000-£4,999	5.25	3.94	5.35	Qtr

NOTES– Gross: Contracted rate of interest payable not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year. 'Compounded Annual Rate' Int Cr: Frequency at which interest is credited to the account.

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Jan 27 / US$)
(3 pm)

CANADA (Jan 27 / Can. $)
(3 pm)

EUROPE

AUSTRIA (Jan 27 / Sch)

BELGIUM/LUXEMBOURG (Jan 27 / Frs.)

DENMARK (Jan 27 / Kr)

FINLAND (Jan 27 / Mk)

FRANCE (Jan 27 / Frs)

GERMANY (Jan 27 / Dm.)

ITALY (Jan 27 / Lire)

NETHERLANDS (Jan 27 / Fls.)

NORWAY (Jan 27 / Kroner)

SPAIN (Jan 27 / Pts.)

SWEDEN (Jan 27 / Kronor)

SWITZERLAND (Jan 27 / Frs.)

AFRICA

SOUTH AFRICA (Jan 27 / Rand)

PACIFIC

JAPAN (Jan 27 / Yen)

AUSTRALIA (Jan 27 / Aust$)

HONG KONG (Jan 27 / H.K.$)

MALAYSIA (Jan 27 / MYR)

SINGAPORE (Jan 27 / S$)

Prices supplied by Telekurs

NOTES – Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. [illegible]

FT FREE ANNUAL REPORTS SERVICE

[illegible]

INDICES

	Jan 27	Jan 26	Jan 25	1994/5 High	1994/5 Low
Argentina					
General (29/12/77)	(c)	15063.34	14963.56	25470.40 16/2/94	13836.48 10/1/95
Australia					
All Ordinaries(1/1/80)	1862.6	(c)	1850.3	2340.60 3/2/94	1842.00 12/12/94
All Mining(1/1/80)	882.1	(c)	877.1	1136.10 3/2/94	875.80 10/1/95
Austria					
Credit Aktien(30/12/84)	370.28	370.72	367.72	460.68 2/2/94	368.09 23/1/95
Traded Index(2/1/91)	992.47	994.60	988.71	1222.25 1/2/94	978.98 23/1/95
Belgium					
BEL20 (1/1/91)	1359.48	1355.46	1347.99	1542.85 9/2/94	1336.39 7/10/94
Brazil					
Bovespa (29/12/83)	(u)	39269.0	(c)	55110.00 13/9/94	3800.80 3/1/94
Canada					
Metals Minls♦(1975)	(u)	4138.47	4149.00	4326.07 19/1/95	3299.06 20/4/94
Composite♦ (1975)	(u)	4087.50	4106.40	4609.90 23/3/94	3959.80 24/6/94
Portfolio§§ (4/1/83)	(u)	1994.99	1998.43	2182.89 1/2/94	1868.48 28/6/94
Chile					
IPGA Gen (31/12/80)	(u)	5436.7	5442.0	5754.40 21/11/94	3801.20 4/4/94
Denmark					
CopenhagenSE(3/1/83)	346.90	344.43	343.58	415.79 2/2/94	335.86 20/12/94
Finland					
HEX General(28/12/90)	1832.8	1830.9	1831.2	1972.00 4/2/94	1601.18 3/1/94
France					
SBF 250 (31/12/90)	1200.70	1204.09	1192.07	1585.20 2/2/94	1178.82 23/1/95
CAC 40(31/12/87)	1814.13	1826.28	1802.48	2355.93 2/2/94	1772.94 23/1/95
Germany					
FAZ Aktien(31/12/58)	759.27	762.31	761.38	869.27 18/5/94	742.04 5/10/94
Commerzbank(1/12/53)	2158.70	2167.00	2164.30	2485.50 2/5/94	2118.30 5/10/94
DAX (30/12/87)‡	2031.70	2030.69	2026.84	2271.11 16/5/94	1960.59 7/10/94
Greece					
Athens SE(31/12/80)	820.37	828.03	820.15	1194.58 16/1/94	804.37 22/11/94
Hong Kong					
Hang Seng(31/7/64)	7297.12	7310.53	7240.72	12201.09 4/1/94	6967.93 23/1/95
India					
BSE Sens.(1979)	3505.81	(c)	3450.66	4628.57 12/9/94	3411.04 24/1/95
Indonesia					
Jakarta Comp.(10/8/82)	437.15	434.46	432.96	612.89 5/1/94	432.96 25/1/95
Ireland					
ISEQ Overall(4/1/88)	1855.56	1853.87	1841.85	2082.16 20/1/94	1694.14 1/7/94
Italy					
Banca Comm Ital (1972)	665.71	664.56	664.75	817.17 10/5/94	581.64 13/12/94
MIB General (2/1/95)	1052.0	1050.0	1050.0	1074.00 23/1/95	979.80 10/1/95
Japan					
Nikkei 225 (16/5/49)	18104.35	18070.84	18159.48	21552.81 13/6/94	17369.74 4/1/94
Nikkei 300 (1/10/82)	258.60	258.73	260.98	311.71 13/6/94	254.80 23/1/95

	Jan 27	Jan 26	Jan 25	1994/5 High	1994/5 Low
Japan					
Topix (4/1/68)	1412.83	1415.61	1426.03	1712.73 13/6/94	1380.86 23/1/95
2nd Section (4/1/68)	1934.10	1930.74	1939.48	2542.85 6/7/94	1873.33 4/1/94
Malaysia					
KLSE Comp.(4/4/86)	883.29	877.36	870.75	1314.46 5/1/94	840.87 24/1/95
Mexico					
IPC (Nov 1978)	(u)	2018.61	2056.59	2881.17 8/2/94	1957.33 20/4/94
Netherland					
CBS TtlRtnGen(End 83)	443.0	440.5	437.2	454.90 31/1/94	406.30 21/6/94
CBS All Shr (End 83)	277.9	276.4	274.3	294.80 31/1/94	257.90 21/6/94
New Zealand					
Cap. 40 (1/7/86)	1942.88	1923.01	1907.65	2439.64 3/2/94	1878.09 12/12/94
Norway					
Oslo SE(Ind)(2/1/83)	1123.26	1112.43	1102.43	1211.10 28/2/94	980.91 21/6/94
Philippines					
Manila Comp (2/1/85)	2403.96	2440.31	2425.11	3308.37 4/1/94	2374.86 24/1/95
Portugal					
BTA (1977)	2710.2	2682.4	2699.9	3226.80 18/2/94	2612.80 20/6/94
Singapore					
SES All–S'pore(2/4/75)	498.08	492.86	485.92	641.61 4/1/94	472.90 23/1/95
South Africa					
JSE Gold (28/9/78)	1577.3♥	1597.9	1678.9	2534.00 7/9/94	1577.30 27/1/95
JSE Ind. (28/9/78)	6331.7♥	6312.0	6428.0	6984.40 30/12/94	5448.00 19/1/94
South Korea					
KoreaCmpEx(4/1/80)**	907.05	927.85	916.85	1138.75 8/11/94	855.37 2/4/94
Spain					
Madrid SE (30/12/85)	282.47	282.10	279.45	358.31 31/1/94	275.35 11/1/95
Sweden					
AffarsvarldnGen (1/2/37)	1523.10	1518.00	1510.10	1603.90 31/1/94	1334.70 6/7/94
Switzerland					
Swiss Bk Ind (31/12/58)	1207.97	1213.73	1204.32	1423.34 31/1/94	1138.72 27/10/94
SBC General (1/4/87)	898.40	901.05	893.24	1093.29 31/1/94	878.57 27/10/94
Taiwan					
WeightedPr.(30/6/66)**	(c)	6307.85	6298.62	7191.13 30/9/94	5194.63 19/1/94
Thailand					
Bangkok SET (30/4/75)	1214.78	1209.98	1213.78	1753.73 4/1/94	1191.26 23/1/95
Turkey					
Istanbul Cmp.(Jan 1986)	25246.0	24781.0	24806.1	29145.10 2/12/94	12880.70 24/3/94
WORLD					
MS Capital Int (1/1/70)§	603.1*	602.5	601.4	649.69 2/11/94	591.60 4/4/94
CROSS-BORDER					
Eurotrack 100(26/10/90)	1307.52	1308.10	1294.51	1540.19 31/1/94	1288.48 5/10/94
Euro Top–100 (26/6/90)	1165.90	1163.45	1151.45	1311.01 2/2/94	1136.46 5/10/94
JCapelDrgns (31/12/88)	(u)	271.77	268.70	385.19 5/1/94	261.46 23/1/95
Barings Emerg.(7/1/92)	(u)	140.25	139.61	191.79 26/9/94	137.15 24/1/95

INDEX FUTURES

■ CAC-40	Open	Sett Price	Change	High	Low	Est. vol.	Open Int.
Jan	1820.0	1811.0	-13.0	1833.0	1808.0	29,894	17,118
Feb	1828.5	1819.5	-13.0	1842.5	1816.0	14,196	14,582
■ DAX							
Mar	2041.0	2047.5	-4.0	2050.5	2036.0	13,477	N/A
Jun	2061.0	2066.5	-3.5	2069.5	2055.5	768	N/A

■ OMX	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Jan	1163.50	1170.00	+7.00	1170.00	1160.50	2,279	17,207
Feb	1174.00	1174.00	+5.00	1174.00	1174.00	10	790
■ SOFFEX							
Feb	2561.2	2552.0	-7.0	2563.0	2543.0	5,396	16,248
Mar	-	2559.5	-	-	-	-	485

■ S&P 500	Open	Latest	Change	High	Low	Est. vol.	Open Int.
Mar	471.10	473.00	+1.85	473.10	470.70	62,142	196,325
Jun	-	475.15	+1.30	-	-	2,193	12,618
■ Nikkei 225							
Mar	18250.0	18140.0	-40.00	18320.0	17980.0	37,655	128,048
Jun	18270.0	18160.0	-10.00	18340.0	18000.0	377	8,698

Open interest figures for previous day.

US INDICES

Dow Jones	Jan 26	Jan 25	Jan 24	1994/5 High	1994/5 Low	Since compilation High	Since compilation Low
Industrials	3870.44	3871.45	3862.70	3978.36 (31/1/94)	3593.35 (4/4/94)	3978.36 (31/1/94)	41.22 (2/7/32)
Home Bonds	94.32	94.33	94.51	105.61 (21/1/94)	93.56 (30/12/94)	108.77 (18/10/93)	54.99 (1/10/81)
Transport	1510.46	1523.38	1517.91	1862.29 (2/2/94)	1371.89 (13/12/94)	1862.29 (2/2/94)	12.32 (8/7/32)
Utilities	190.61	190.15	188.77	227.06 (3/1/94)	173.94 (22/11/94)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 3903.41 (3908.79) Low 3839.15 (3832.08) (Theoretical♦)
Day's high 3879.52 (3891.30) Low 3853.28 (3845.88) (Actual♦)

Standard and Poors	Jan 26	Jan 25	Jan 24	1994/5 High	1994/5 Low	Since compilation High	Since compilation Low
Composite ‡	468.32	467.44	465.86	482.00 (2/2/94)	438.92 (4/4/94)	482.00 (2/2/94)	4.40 (1/6/32)
Industrials♥	553.73	553.21	552.41	583.10 (28/10/94)	510.05 (21/4/94)	583.10 (28/10/94)	3.62 (21/6/32)
Financial	43.26	43.01	42.62	46.94 (14/6/94)	39.87 (22/11/94)	48.40 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	254.92	254.41	253.70	267.71 (2/2/94)	243.14 (4/4/94)	267.71 (2/2/94)	4.46 (25/4/42)
Amex Mkt Val	437.74	438.52	437.40	487.89 (2/2/94)	420.23 (13/12/94)	487.89 (2/2/94)	29.31 (9/12/72)
NASDAQ Cmp	757.56	760.98	763.20	803.93 (18/3/94)	693.79 (24/6/94)	803.93 (18/3/94)	54.87 (31/10/72)

■ RATIOS

	Jan 20	Jan 13	Jan 6	Year ago
Dow Jones Ind. Div. Yield	2.77	2.73	2.78	2.59
	Jan 25	Jan 18	Jan 11	Year ago
S & P Ind. Div. yield	2.43	2.40	2.44	2.512
S & P Ind. P/E ratio	18.90	19.06	18.76	26.96

■ NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Close price	Change on day
Dr Pepper	14,479,000	32½	+2
Compaq	7,663,000	37	–⅜
Telefonos	4,333,400	34¾	⅛
Gen Motors	3,306,200	37⅜	+⅛
McDonalds	3,091,000	30⅝	+⅛
Ford	3,049,500	25½	–⅛
Chrysler	3,043,800	45	–1½
EMC Corp	2,989,500	18⅝	–¼
Amer Strs	2,737,500	24⅛	–½
Hillhaven	3,701,500	26¼	+3¾

■ TRADING ACTIVITY

● Volume (million)	Jan 26	Jan 25	Jan 24
New York SE	311.909	341.928	325.162
Amex	13.813	15.242	14.135
NASDAQ	276.167	294.436	273.679
NYSE			
Issues Traded	2,920	2,915	2,925
Rises	1,091	1,196	1,252
Falls	1,008	929	933
Unchanged	821	790	740
New Highs	31	38	29
New Lows	44	38	46

– Sat Jan 21: Taiwan Weighted Price 6431.99; Korea Comp Ex 955.11. Base values of all indices are 100 except: Australia All Ordinary and Mining – 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall; Toronto Comp./Metals & Minerals and DAX – all 1,000; JSE Gold – 255.7; JSE 20 Industrials – 264.3; NYSE All Common – 50 and Standard and Poor's – 10. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours Index: Jan 27 - 2030.56 -10.23

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation.

هكذا عن الأصل

WORLD STOCK MARKETS

AMERICA

Equities fall despite bond price rally

Wall Street

Unlike their counterparts in the bond market, investors in US stocks drew little comfort yesterday morning from the release of the strong, but expected, gross domestic product figures, *writes Lisa Bransten in New York.*

By 1 pm, the Dow Jones Industrial Average had lost 19.85 at 3,850.59, while the more broadly traded Standard & Poor's 500 gained 0.47 at 468.79. The American Stock Exchange composite fell 0.73 to 437.01 and the Nasdaq composite lost 0.67 at 756.89. Trading volume on the NYSE came to 194m shares.

Bond prices rallied after the commerce department said that the US economy had expanded by 4.5 per cent in the fourth quarter of 1994. Although yearly growth was at its fastest level in ten years, the figure was within economists' expectations.

At midday the long bond was up half a point to yield 7.786 per cent and the two-year note gained a quarter of a point, yielding 7.312 per cent as traders covered short positions. Also fueling the rise in bonds was continued optimism that inflation was under control, arising from comments made earlier by Mr Alan Greenspan, chairman of the Federal Reserve.

In Congressional testimony Mr Greenspan said that he believed the US economy was nearing stability, but did not rule out more monetary tightening at next week's meeting of the Fed's Open Market Committee.

Fears of another rate increase contributed to the Dow's downturn, as did a weaker dollar.

Deeper losses in the Dow were avoided by gains in two of the 30 companies in the index. Disney rose $2⅝ at $49⅝ after reporting strong profits growth in the fourth quarter of last year, and McDonald's, the fast food company, climbed $1 at $31⅝, after increasing net income 17 per cent in the fourth quarter.

USAir Group increased $¼ at $5⅝ in spite of posting a loss for the fourth quarter.

Elsewhere, Time Warner shed $⅞ at $35¼ after the entertainment company announced that it would purchase the cable television subsidiary from Houston Industries. AT & T lost $⅛ at $49⅞ after shares in the US telecommunications giant, which were being offered by a US unit of BT (British Telecom) were priced at $49⅞.

Canada

Toronto stocks continued to fall at midday as weaker bullion prices hit the gold and precious metals index, and dragged nearly all sectors into weaker territory.

The TSE 300 composite index fell 34.74 to 4,052.74 in 28.51m shares valued at C$328.70m. The gold and precious metals index plummeted 208.28 to 8,720.64. Declines outpaced advances by 362 to 206.

Mexico

Mexican stocks weakened further in mid-morning trading and the IPC index dropped below the 2,000 level on worries over a delay by the US congress in discussing a guarantee plan for the country.

The IPC index was down 36.77 or 1.8 per cent at 1,981.84 by midsession in thin volume of 18.7m shares.

● **SAO PAULO** fell nearly 5 per cent at midday on reports that the Argentine central bank had ordered the closure of a domestic merchant bank.

The Bovespa index was off 1,860 at 37,409 in turnover of R$171.2m ($202.6m).

Local investors were also keeping a watch on talks between government officials and party leaders on President Fernando Henrique Cardoso's reform proposals.

● **BUENOS AIRES** traded lower following three days of advances. The Merval index was down 4.97 at 432.80.

EUROPE

Paris shaken by new corruption allegations

Yet more trouble for Deutsche Bank in Germany, and suggestions of further political corruption in France adversely affected sentiment yesterday, *writes Our Markets Staff.*

PARIS was swayed by the publication in a domestic magazine of new corruption allegations against a number of senior French politicians which dragged the CAC-40 index to a session low of 1,809. However, midsession buying lifted prices and the index to a day's high of 1,834, before sellers returned to leave the index off 12.15 at 1,814.13, unchanged on the week.

Turnover was about FFr3bn.

The franc weakened against the D-Mark as rumours took hold that Prime Minister Edouard Balladur was to hold a press conference.

Accor was among the session's bright spots, ending with a gain of FFr14 at FFr548 on reports that December visitor numbers to its hotels and restaurants had shown an improvement.

Elf Aquitaine and LVMH both built on Thursday's gains, up FFr8.10 and FFr4 respectively to FFr386.20 and FFr833. Standard & Poor's said yesterday that it had placed the oil group's long-term debt on credit watch following Thursday's results.

FRANKFURT suspended KHD, the engineering company, when the shares had fallen another DM21 to DM81. Deutsche Bank, which has a KHD stake of around 32 per cent, fell DM12.50 to DM689.50 as the Dax index dropped 10.23 to an Ibis-indicated 2,030.56, a fall of 1 per cent on the week, after a session close of 2,031.70.

In spite of a March 1993 rights issue, KHD last year had what analysts described as a critical funding problem, combined with the 60 per cent increase in new orders it reported last September. Deutsche's problem, said the analysts, was a cumulative one, following the Metallgesellschaft, Schneider and Balsam disasters.

Turnover was flat at DM5.9bn. On the upside, Karstadt and Kaufhof, the department stores groups, recovered DM9 to DM542 and DM14 to DM454 respectively; Hoare Govett argued recently that effective tax cuts would help German private consumption to a 2.2 per cent increase in 1996, and that it might be time to look beyond a grisly 1995.

AMSTERDAM was supported by stronger bonds and encouraged slightly by the US data which was announced towards the end of the session. The AEX index ended up 1.73 at 412.46, a week's gain of 0.4 per cent.

KNP BT, the paper and packaging group, built on Thursday's gain, rising 70 cents to Fl 53.50, for a week's improvement of 3.4 per cent. James Capel upgraded the stock to buy to reflect an improved outlook for the sector this year.

Elsewhere, Unilever regained the Fl 200 level, up Fl 2.80 at Fl 200.80, helped by positive sentiment in general towards the European consumer products sector. Among second liners Nutricia, the baby foods group, in which Unigate of the UK has a large stake, put on Fl 3.00 to Fl 93.80 as bid rumours resurfaced.

ZURICH's SMI index fell 6.1 to 2,548.6, 1 per cent lower on the week. EMS-Chemie, a group active in polymers, fine chemicals, engineering and power stations, lost SFr180 or 4.9 per cent at SFr3,520 on talk of an SBC downgrade, on which the bank declined to comment.

MILAN was technically driven, volume staying very low as the political and corporate scene remained fairly inactive ahead of the weekend. The Comit index added 1.15 to 665.71, a week's decline of just under 1 per cent.

Snia, the part of the Fiat group specialising in chemicals and textiles, lost L53 to L2,050 after the company denied market speculation about a possible restructuring programme; Caffaro, which is controlled by Snia, added L144 to L2,282 as separate rumours persisted that it might be sold, with Montedison mentioned as a possible buyer.

Fiat was unchanged at L6,565.

Elsewhere Olivetti lost L30 to L2,040 and Credito Italiano L4 to L2,025.

MADRID nudged higher at the close with the general index up 0.37 at 282.47, 0.5 per cent higher on the week. In a relatively somnolent list, BCH stood out with a gain of Pta90, or 3.1 per cent at Pta2,985. After the close the bank reported a 32 per cent drop in group net profits.

WARSAW posted a new 1994-95 low, the Wig index falling 173.7, or 2.6 per cent to 6,583.7. Analysts could offer no fundamental reasons why the market should recover next week.

Written and edited by William Cochrane and John Pitt.

FT-SE Actuaries Share Indices

THE EUROPEAN SERIES

Jan 27

Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1307.15	1307.05	1305.68	1306.44	1307.47	1308.43	1309.44	1307.52
FT-SE Eurotrack 200	1368.15	1367.91	1365.97	1366.02	1366.52	1368.68	1370.52	1370.10

	Jan 26	Jan 25	Jan 24	Jan 23	Jan 20
FT-SE Eurotrack 100	1308.10	1294.51	1299.33	1297.82	1313.82
FT-SE Eurotrack 200	1365.94	1355.17	1353.78	1346.48	1368.18

Base 1000 (26/10/90); High/day: 100 - 1309.59; 200 - 1371.00 Low/day: 100 - 1304.43 200 - 1363.96 † Partial

SOUTH AFRICA

South African shares finished mixed after steep declines earlier in the week, with US fourth quarter GDP figures offering late support.

The overall index was 0.3 up at 5,163.5, the industrial index 19.7 up at 6,331.7 and golds 20.6 down at 1,577.3. De Beers fell 50 cents to R87.50.

ASIA PACIFIC

Seoul and Manila suffer sharp declines

Tokyo

Share prices closed marginally higher after trading in a wide range, fluctuating on buying by individual investors and selling by arbitrageurs, dealers and overseas investors, *writes Emiko Terazono in Tokyo.*

The Nikkei index rose 33.51 to 18,104.35, 4.2 per cent down on the week, after moving between 17,937.77 and 18,257.13. The index turned higher in the morning on buying by individuals and arbitrageurs. However, arbitrageurs later turned sellers and, coupled with dealers adjusting their positions, eroded the gains. The index finally closed higher on last minute buying by banks.

Volume was 497m shares against 522m. The Topix index of all first section stocks fell 2.78 to 1,412.83, while the Nikkei 300 fell 0.13 to 258.60. Declines led gains by 604 to 402 with 168 issues unchanged.

In London, the ISE/Nikkei 50 index fell 4.19 to 1,164.24. Sumitomo Bank's massive bad debt write-offs, which came too late to affect the market in Tokyo, were eventually seen as positive and left the shares Y40 higher at Y1,650.

Construction stocks posted strong gains on buying by individuals. Stocks linked to the reconstruction of Kobe topped the list of the day's actively traded shares. Sumitomo Construction, the day's most active issue, rose Y82 to Y767 and Fudo Construction jumped Y200 to Y1,200. However, profit-taking hit Obayashi, down Y12 at Y746.

Akai Electric, the ailing audio equipment maker, jumped Y80 to Y491 following its announcement that it would be bailed out by Semi-Tech, a Hong Kong based business group. The company, which relies on exports, has been hit by the high yen; Mitsubishi Bank, its main creditor bank and active in restructuring, has been looking for an investor willing to inject Akai with cash.

In Osaka, the OSE average fell 64.90 to 20,155.00 in volume of 100.6m shares.

Roundup

Mixed performances characterised the region yesterday. Taipei was closed.

SEOUL, worried about liquidity, fell 2.2 per cent in heavy volume. The composite index lost 20.80 to 907.05, off 6 per cent over the week, and its lowest close since June 1994.

Analysts commented that a number of companies were due to be listed next month, while Citizens National Bank also planned to sell off a large number of shares during February. The central bank, in addition, had lifted the overnight call rate to over 25 per cent during the last two days.

MANILA slid 1.5 per cent on aggressive foreign selling. The composite index lost 36.35 to 2,403.96, down 2.4 per cent on the week. Volume doubled to 8.8bn shares but turnover eased to 1.16bn pesos from 1.49bn pesos.

Philippine National Bank slid 6.5 per cent to 287.50 pesos and Manila Electric 4.6 per cent to 257.50 pesos.

BOMBAY was encouraged by the government's amendment of securities law to end a ban on options trading, although analysts said that they were still awaiting clarification of the new regulations. The BSE index rose 1.6 per cent, up 55.03 to 3,505.71, and down 2.6 per cent on the week.

SINGAPORE firmed on a late wave of domestic-led buying of blue chips. The Straits Times Industrial index put on 34.10 or 1.7 per cent to 2,035.00, little changed over the week.

Volume was estimated at 220m shares, nearly double recent levels. Brokers said that foreign investors, with the exception of some Japanese mutual funds, were generally unwilling to take positions ahead of next week's Lunar New Year holidays.

Among active issues Singapore Land rose 35 cents to S$8.00, United Overseas Bank 20 cents to S$10.50 and Development Bank of Singapore 5 cents to S$9.85. Singapore Press Holding gained 40 cents to S$14.90 and Jardine Matheson 10 cents to S$7.10.

HONG KONG was slightly weaker in thin turnover of HK$2.15bn, with the Hang Seng Index off 13.41 to 7,297.12, barely changed on the week.

The property sector was the only one to gain, with the sub-index up 53.82 to 12,043.74.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock	THURSDAY JANUARY 26 1995 US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	WEDNESDAY JANUARY 25 1995 US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX 52 week High	52 week Low	Year ago (approx)
Australia (68)	164.93	-0.1	153.61	103.60	129.88	143.34	0.0	4.02	165.15	153.96	104.07	130.36	143.34	189.15	161.21	177.29
Austria (16)	175.08	0.7	163.06	109.96	137.87	137.93	0.8	1.18	173.95	162.16	109.62	137.31	136.89	196.89	167.46	189.39
Belgium (35)	167.91	0.4	156.38	105.47	132.22	129.26	0.3	4.27	167.29	155.95	105.42	132.05	128.92	177.04	161.53	164.43
Brazil (28)	148.05	3.2	137.89	93.00	116.59	229.74	2.2	0.98	143.45	133.73	90.40	113.23	224.71	-	-	-
Canada (103)	125.38	-0.1	116.78	78.76	98.73	128.22	-0.3	2.70	125.45	116.95	79.05	99.02	128.56	143.28	120.54	141.01
Denmark (33)	249.65	0.5	232.51	156.82	196.59	202.93	0.2	1.46	248.51	231.67	156.60	196.16	202.44	275.79	236.61	266.82
Finland (24)	184.89	-0.8	172.19	116.14	145.59	183.79	-0.8	0.75	186.42	173.79	117.47	147.15	185.18	201.41	133.88	147.48
France (102)	161.48	1.4	150.40	101.44	127.16	132.72	1.1	3.23	159.23	148.44	100.34	125.68	131.23	185.37	157.79	178.38
Germany (58)	140.53	0.3	130.88	88.28	110.66	110.66	0.1	1.88	140.07	130.59	88.27	110.57	110.57	150.40	128.37	131.26
Hong Kong (56)	289.43	0.7	269.56	181.81	227.92	287.28	0.6	4.35	287.53	268.05	181.19	226.96	285.44	493.01	277.40	461.24
Ireland (16)	211.33	1.5	196.82	132.75	166.42	189.11	1.4	3.37	208.14	194.04	131.16	164.30	186.58	216.60	177.56	202.65
Italy (59)	80.39	0.7	74.87	50.50	63.31	95.94	0.7	1.62	79.83	74.43	50.31	63.02	95.30	97.78	67.25	70.52
Japan (484)	142.17	-0.5	132.41	89.30	111.95	89.30	-0.8	0.85	142.84	133.16	90.01	112.75	90.01	170.10	139.45	141.05
Malaysia (97)	417.12	0.7	388.49	262.02	328.48	411.01	0.6	2.05	414.39	386.32	261.13	327.11	408.78	594.76	398.16	463.97
Mexico (18)	1066.10	-1.6	992.92	669.68	839.52	6620.72	-2.7	1.54	1083.27	1009.88	682.63	855.07	6804.34	2647.08	1028.59	2456.65
Netherland (19)	220.35	1.1	205.22	138.41	173.52	170.66	0.8	3.38	217.98	203.22	137.36	172.07	169.27	223.30	191.28	202.13
New Zealand (14)	71.73	0.7	66.81	45.06	56.49	59.37	1.2	4.93	71.22	66.40	44.88	56.22	58.65	77.59	62.05	71.44
Norway (23)	210.65	1.7	196.19	132.32	165.88	189.56	1.5	1.82	207.15	193.11	130.53	163.51	186.86	214.65	177.53	196.52
Singapore (44)	329.57	2.2	306.95	207.02	259.53	220.60	2.1	1.94	322.59	300.74	203.28	254.64	216.12	401.38	294.66	333.62
South Africa (59)	290.62	-1.1	270.67	182.56	228.85	259.80	-2.0	2.57	293.75	273.85	185.11	231.87	265.17	342.00	205.55	251.71
Spain (38)	130.17	1.5	121.23	81.77	102.51	129.90	1.1	4.46	128.23	119.54	80.80	101.22	128.44	155.79	124.87	149.87
Sweden (46)	237.11	1.1	220.83	148.94	186.72	261.69	0.5	1.49	234.43	218.55	147.73	185.05	260.39	242.61	196.70	218.08
Switzerland (47)	164.33	1.2	153.06	103.22	129.40	129.88	1.0	1.99	162.35	151.35	102.31	128.16	128.55	178.56	149.91	169.32
Thailand (46)	135.05	-0.1	125.78	84.83	106.35	131.45	-0.1	3.01	135.18	126.02	85.18	106.70	131.55	-	-	-
United Kingdom (205)	194.24	0.8	180.91	122.02	152.96	180.91	0.8	4.27	192.62	179.57	121.38	152.05	179.57	214.96	181.11	210.09
USA (513)	191.73	0.2	178.57	120.44	150.98	191.73	0.2	2.91	191.37	178.41	120.59	151.06	191.37	198.04	178.95	192.35
Americas (662)	176.55	0.2	164.44	110.90	139.03	148.09	0.2	2.86	176.21	164.27	111.04	139.09	147.85	-	-	-
Europe (723)	168.80	0.9	157.21	106.03	132.92	147.83	0.7	3.15	167.29	155.96	105.42	132.05	146.79	178.58	160.59	172.86
Nordic (126)	227.18	0.7	211.58	142.70	178.90	212.37	0.3	1.40	225.51	210.23	142.10	178.00	211.67	233.91	197.70	210.94
Pacific Basin (809)	148.99	-0.3	138.86	93.52	117.24	97.51	-0.6	1.26	149.36	139.24	94.12	117.90	98.09	179.86	145.93	153.34
Euro-Pacific (1532)	157.09	0.2	146.30	98.67	123.70	116.96	0.0	2.10	156.74	146.12	98.77	123.72	116.87	175.14	154.73	161.35
North America (616)	187.62	0.2	174.74	117.86	147.75	187.40	0.2	2.80	187.29	174.60	118.02	147.83	187.06	192.73	175.67	189.16
Europe Ex. UK (518)	151.39	0.9	141.00	95.10	119.21	128.13	0.7	2.51	149.99	139.83	94.52	118.39	127.26	158.12	144.12	149.94
Pacific Ex. Japan (325)	216.30	0.6	201.45	135.87	170.33	189.93	0.6	3.52	216.10	200.53	135.55	169.79	188.83	291.75	211.19	271.11
World Ex. US (1740)	157.66	0.2	146.85	99.05	124.17	120.17	-0.1	2.11	157.36	146.70	99.16	124.21	120.23	176.65	155.42	163.35
World Ex. UK (2048)	165.27	0.1	153.93	103.82	130.15	137.71	0.0	2.20	165.07	153.88	104.02	130.29	137.76	178.59	163.46	168.37
World Ex. Japan (1769)	183.11	0.5	170.54	115.02	144.19	173.34	0.4	3.01	182.27	169.92	114.86	143.87	172.72	195.20	176.34	189.98
The World Index (2253)	167.81	0.2	156.29	105.41	132.15	141.58	0.0	2.40	167.49	156.14	105.54	132.20	141.53	180.80	165.92	172.00

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Latest prices were unavailable for this edition. Markets closed 26/1/95: Australia

All eyes on budget as TSE-300 loses ground

Bernard Simon on prospects for Canadian equities

Canadian stockbrokers are usually smiling at this time of year as they watch money pouring into equities, bonds and mutual funds ahead of the March 1 deadline for contributions to tax-sheltered retirement plans.

This year, however, the biggest smiles are to be found at banks and other deposit-taking institutions. Small investors have shunned stock and bond markets in favour of term deposits, which combine virtually no risk with some of the industrial world's highest real interest rates.

The Toronto stock exchange's performance over the past year seems to confirm the wisdom of this strategy. The TSE-300 index dipped by 2.5 per cent in 1994, and lost another 3.9 per cent in the first three weeks of January as interest rates soared.

By contrast, banks offer an annual 8.75 per cent on five-year guaranteed investment certificates. With inflation virtually non-existent in Canada, other investments would need to perform strongly to match such returns.

Institutional fund managers and analysts are generally more bullish on the TSE's prospects than retail investors. "We're feeling a little bit better about the market," says Mr Bill Wheeler, who heads a Vancouver-based investment management firm.

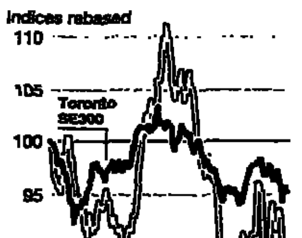
The TSE-300 posted a modest rally early this week, topping 4,100 before subsiding again on Thursday, and early yesterday as golds weakened. ScotiaMcLeod, a Toronto-based securities firm, predicts that the TSE-300 could climb by about 18 per cent this year, to 4,800. "Equities should continue to outperform bonds and treasury bills over the next 12-18 months," the firm concluded in a recent report.

The optimism is based on a bullish outlook for interest rates and corporate earnings. The year-long climb in short-term rates may not be over. But Canadian long-term bond yields, which topped 9.6 per cent earlier this month, are set to fall during 1995. "Those clients waiting for 10 per cent yields may not get them," Mr Bob Walker, senior vice-president at Toronto-based Richardson Greenshields, told his sales force this week.

Such advice assumes that Quebec secessionists will not win an independence referendum due to be held later this year, and that the federal government and the 10 provinces start coming to grips with their worrisome budget deficits and C$700bn debt burden.

All eyes in the markets are on the finance minister, Mr Paul Martin, who will table his 1995/96 budget by early March. Mr Martin has staked his political credibility on bringing the federal deficit down from C$39bn in the fiscal year ending March 31 to about C$25bn in 1996/97.

Canada



Source: FT Graphite

With the fiscal and political picture likely to remain clouded for the next few months, the main thrust of any bond market rally could be delayed until the second half of the year.

The impact of stronger earnings on share prices was vividly illustrated this week by Northern Telecom, the telecommunications equipment maker. Northern reported a near-doubling of fourth-quarter profits and record orders. Its share price gained C$1.88 over the next three days to close on Thursday at C$49.13.

Mr Wheeler predicts that, with inflation low, the average P/E ratio for companies included in the TSE-300 will drop only moderately this year, from 20 times 1994 earnings to 16. But, he says, "the earnings recovery should be fast enough to push share prices up."

Analysts are also not deterred by the TSE-300's unusually low dividend yield of 2.3 per cent. They take comfort that the return is relatively high in real terms, and takes no account of a stream of dividend rises expected in coming months.

Any stock-market recovery over the next few months is more likely to be concentrated in a few sectors than spread across the board. Not surprisingly however, views differ on which those sectors are likely to be.

Mr Richard Stoneman, head of research at BZW Canada, says eastern Canadian forestry companies are near the top of his list of favourites. This group, which includes Abitibi-Price, Domtar and Avenor, stands to benefit from surging pulp and paper prices, and a from a recent slide in the Canadian dollar. Conversely, publishing companies will be victims of rising newsprint costs.

Mr Subodh Kumar, Wood Gundy's portfolio strategist, says: "over the year, we'll see the cyclicals have one more bounce because of good earnings. But after that, people will rotate to other groups." Mr Kumar is advising clients to increase their exposure gradually to sectors likely to benefit from falling interest rates, such as banks and regulated pipeline operators.

On the other side of the coin, even bulls turn cautious on the outlook for gold and base-metal producers, which are a pillar of Toronto's resource-based market. Gold mining shares have lost almost a fifth of their value in the past four months. Concerns remain that some are still trading at unsustainably high premiums above book value.

Mr Fraser Phillips, base metals analyst at ScotiaMcLeod, warns: "over the next three to six months, we would not be surprised to see another 15 per cent correction in mining share prices".

LONDON EQUITIES

LIFFE EQUITY OPTIONS

Option		Calls Apr	Jul	Oct	Puts Apr	Jul	Oct
Allied Domecq	500	31½	41½	47½	11	22½	23
(*514)	550	9½	18	24	38½	52	50
Argyll	280	15½	21½	24	10	16½	19
(*281)	300	7½	13	16	21½	29	31
ASDA	60	10½	12½	13	½	1½	2½
(*69)	70	3½	6	7	3½	5	6½
Brit Airways	360	26½	34½	40½	8½	17	20½
(*373)	390	11½	19	26½	24	33	36½
Sm Bchm A	420	38½	46	54½	6½	13	17
(*448)	460	16	24½	34	24½	31	35½
Boots	460	26½	36	39½	9½	18½	21½
(*470)	500	9	16½	21	32½	41½	44
BP	390	32	38	44½	5	11	13
(*413)	420	14½	22½	28	18	24	26
British Steel	140	13½	17½	19½	3	5½	7
(*149)	160	3½	7½	10	13½	16	17
Bass	500	37½	46½	57½	8	15½	18½
(*523)	550	11½	21	33	32½	41	43½
Cable & Wire	360	29	37	43	9	15½	19½
(*376)	390	13	21½	28	23	30½	34½
Courtaulds	420	25½	33	39	14	23½	28½
(*425)	460	9	15½	22	38½	48½	52
Comm Union	493	19½	-	-	24	-	-
(*499)	543	4½	-	-	61½	-	-
ICI	750	34½	48½	55	26	34½	40
(*785)	800	12½	27	33½	58½	64½	69
Kingfisher	390	32½	37	42	8½	17	22
(*408)	420	16	21½	27½	20	33	37½
Land Secur	550	22½	32	35½	13½	27½	31
(*552)	600	5	10½	16	48	62	64
Marks & S	360	27½	33	39	5½	10½	13
(*377)	390	10½	17	23½	19	25½	27½
NatWest	460	37	45	54	13	17½	25
(*490)	500	14½	25	34½	34	38	45½
Sainsbury	420	25½	32½	40½	9	16	18½
(*433)	460	8½	14½	21	29½	38	40
Shell Trans.	700	32	43	52	17	21	27
(*718)	750	9½	19½	28	48½	51	55½
Storehouse	220	11½	15½	18½	6½	10½	12½
(*221)	240	4½	7	10	19½	22½	24
Trafalgar	80	8½	11	12½	1½	2½	3½
(*86)	90	3	6	8	6	7½	8
Unilever	1150	44	82	82½	32½	44½	50
(*1162)	1200	20½	38	58½	64	73½	78
Zeneca	850	52	64½	73½	19	29	38
(*885)	900	24	36½	47½	45½	54½	60½
Option		Feb	May	Aug	Feb	May	Aug
Grand Met	360	11½	26	30½	3	9	14½
(*368)	390	½	12	18½	22	25½	30½
Ladbroke	160	8	13	18	2	8½	11
(*166)	180	½	5½	8½	14½	20½	23
Utd Biscuits	300	24	29½	31½	½	6½	12½
(*322)	330	4½	12½	17	11	23½	28
Option		Mar	Jun	Sep	Mar	Jun	Sep
Fisons	100	11½	14½	18½	2½	5	7½
(*107)	110	6	9½	14	7	10	12½
Option		Feb	May	Aug	Feb	May	Aug
Brit Aero	448	23	38½	-	4	18½	-
(*466)	487	3½	18½	-	24	39	-
BAT Inds	420	32½	41	48	1	11	20
(*450)	460	5½	17	25½	14½	31½	41
BTR	300	9	15	22½	3½	13	16½
(*304)	330	½	4	11	25½	34	36
Brit Telecom	390	17	29	36	1½	8	14½
(*404)	420	2	14	20	17	22½	30
Cadbury Sch	420	8	15	25½	16½	23	26
(*421)	460	-	5	12	54½	55	55½
Eastern Elec	700	26	52	68	8½	23½	41½
(*714)	750	5	28	42	38½	53	69
Guinness	390	31	38	43	½	6½	9½
(*419)	420	8½	18	25	7½	19½	22½
GEC	260	16	23½	27½	½	4½	9
(*274)	280	3½	11½	16	8	12	16½

Option		Calls Feb	May	Aug	Puts Feb	May	Aug
Hanson	220	14	17½	21½	1	5	8½
(*232)	240	2	7	11½	9	14½	18½
Lasmo	140	8½	14	17½	1½	5½	7
(*147)	160	½	5	8½	13½	16½	18
Lucas Inds	180	10½	17	22½	1½	7	10
(*188)	200	1	7½	13	12½	18	21
P & O	550	21½	34	41½	5	24½	27
(*565)	600	1½	12	20½	35½	55	58
Pilkington	140	9½	15½	19	1	4	7
(*147)	160	1	6	9½	12½	15	17½
Prudential	280	19½	24	29½	1	8	12
(*297)	300	6	12	19	7½	18	22
RTZ	750	42	54½	69	2	18½	24
(*787)	800	9½	26½	43	19½	42	48½
Redland	420	12	24½	29½	7	26	30½
(*424)	460	½	9	14	35½	55	58
Royal Insce	260	9	16½	22	5½	16	18½
(*263)	280	2	9	14	18½	28½	30½
Tesco	240	16½	23	28	½	6½	8
(*255)	260	4	10	15	7½	14½	17½
Vodafone	183	10	-	-	1½	-	-
(*190)	200	2	8½	13	10½	14½	18
Williams	300	29	35	38	¼	5	8½
(*328)	330	5½	15	20	7½	18	21½
Option		Apr	Jul	Oct	Apr	Jul	Oct
BAA	450	29	-	-	8½	-	-
(*465)	475	15	-	-	20	-	-
Thames Wtr	460	23	30	33½	13½	26	28½
(*463)	500	7	14½	17	38½	54	54½
Option		Mar	Jun	Sep	Mar	Jun	Sep
Abbey Natl	420	18½	25½	31	12½	20	27
(*428)	460	3	10½	15½	43	46½	52
Amstrad	125	16½	15	-	2½	6	-
(*133)	150	1	5	-	18½	20½	-
Barclays	550	40½	50	58½	8½	18	27½
(*581)	600	12	25½	35	34½	44½	53
Blue Circle	260	14½	21½	28½	6½	15½	20
(*266)	280	5½	12½	20	17½	27½	32
British Gas	300	12	18½	24	6½	14	18
(*304)	330	2	6½	11½	26	34	36½
Dixons	200	9½	16½	21½	7½	10½	14½
(*201)	220	3	9½	12½	20½	25	27½
Hillsdown	160	17½	20	21½	1	5½	8
(*175)	180	4½	8	11	8	16	18½
Lonrho	140	16½	20½	23	1½	4½	7
(*155)	160	4	9½	12½	10½	13½	16½
Natl Power	460	28½	38½	47½	7	18½	23
(*478)	500	8½	17½	28½	27	39½	44
Scot Power	330	13½	25½	29½	9½	16½	22
(*331)	360	3	12½	15½	30	34	40
Sears	90	10	12½	13	1	2½	3½
(*98)	100	3½	6½	7½	4½	7½	8
Forte	240	10½	16	20½	7½	14	17
(*240)	260	3½	8	12½	21	27	29
Tarmac	110	8½	14	15½	3½	7½	9
(*114)	120	5	9½	11	9	13	14½
Thorn EMI	1000	40	66½	78½	14½	26½	44½
(*1018)	1050	15½	42	51	40½	51	71
TSB	240	13½	21½	24½	12	16	20
(*244)	260	6	13½	16½	25	28½	32
Tomkins	200	22	28½	32	1	4½	8
(*218)	220	8	16½	20	7½	12	16½
Wellcome	950	67½	82½	100	19	29	39
(*999)	1000	36	53½	69½	40	51	61
Option		Apr	Jul	Oct	Apr	Jul	Oct
Glaxo	600	37	54	65	23	30½	44
(*617)	650	15½	32	41½	52½	58½	72
HSBC 75p shs	600	46½	56½	65	22	32½	41½
(*630)	650	20	32½	42	50½	60½	68½
Reuters	420	30½	40	49	12	17	22
(*436)	460	13	22½	30½	34	39	43
Option		Feb	May	Aug	Feb	May	Aug
Rolls-Royce	160	4	10	14½	4	10	12
(*160)	180	-	3½	7½	20	24	25½

* Underlying security price. Premiums shown are based on settlement prices.
January 27, Total contracts: 34,179 Calls: 16,744 Puts: 17,434

FT GOLD MINES INDEX

	Jan 26	% chg on day	Jan 25	Jan 24	Year ago	Gross div yield %	52 week High	52 week Low
Gold Mines Index† (34)	1731.26	-1.4	1755.52	1763.86	2196.78	2.21	2387.90	1755.52
■ Regional Indices								
Africa (16)	2566.57	-4.2	2677.86	2732.42	2875.08	5.34	3711.87	2304.45
Australasia (7)	2126.29	-0.1	2129.06	2173.37	2857.82	0.80	2965.56	2129.06
North America (11)	1428.22	-0.1	1429.10	1447.13	1903.84	0.79	1924.91	1386.34

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Figures in brackets show number of companies. Basis US Dollars. Base Values: 1000.00 31/12/92.
Predecessor Gold Mines Index: Jan 27: 169.5 ; day's change: -0.6 Year ago: 224.9 † Partial.
Latest prices were unavailable for this edition. Market holiday: Australia closed.

RISES AND FALLS

	On Friday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	64	2	7	140	133	88
Other Fixed Interest	2	0	12	7	12	51
Mineral Extraction	52	79	103	217	461	492
General Manufacturers	99	117	465	459	799	2,144
Consumer Goods	51	31	139	220	244	641
Services	84	80	390	394	592	1,784
Utilities	13	24	11	74	99	67
Financials	76	107	229	355	588	1,117
Investment Trusts	113	59	410	538	631	1,740
Others	26	43	33	182	202	132
Totals	580	542	1,799	2,586	3,761	8,256

Data based on those companies listed on the London Share Service.
Due to a technical error, some amendments to the London Share Service have not been included in the daily/weekly Rises and Falls table. This has now been corrected. Accurate back-dated information from January 3 1995 is available from. The Manager, FT Statistics, Fax No. (0171) 873 3090. Other tables have not been affected

TRADITIONAL OPTIONS

First Dealings	January 23	Expiry	April 20
Last Dealings	February 3	Settlement	May 4

Calls: Aminex, Anglo Irish, Bibby (J), Black Edgington, Calluna, Kynoch Grp, Ovoca Res, Quiligotti, Scantronic, Southern Business. Puts: Anglo Irish, Kynoch Grp. Puts & Calls: Airsprung, Aminex, Arcon Int, Black Edgington.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1994/95 High	Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
100	F.P.	4.99	99	90½	Asset Man Inv	99		-	-	-	-
-	F.P.	1.53	7	5½	Cale. Media Wrts	5½		-	-	-	-
-	F.P.	64.8	173	133	Clydeport	157		RN3.51	-	2.8	-
510	F.P.	34.2	625	565	First Russian Fr	570		-	-	-	-
-	F.P.	33.7	95	93	Gartmore Mic Ind	95	+1	-	-	-	-
-	F.P.	2.77	39	38	Do. Warrants	39		-	-	-	-
-	F.P.	26.9	55	51¾	Lazard Birla India	51¾		-	-	-	-
-	F.P.	3.17	32½	29¾	Do Warrants	30½		-	-	-	-
35	F.P.	22.1	36	34	MCIT S Cap	34		-	-	-	-
35	P.P.	23.4	36	36	MCIT S Inc	36		-	-	-	-
§3	F.P.	6.55	3½	3	MICE Group	3¼		bN0.1	3.2	3.7	10.4
100	F.P.	41.0	94	81	Matheson Lloyds	82		-	-	-	-
-	F.P.	19.0	130	95	Pentex Oil	95		-	-	-	-
182	F.P.	1,475.8	188	167	TeleWest	174		-	-	-	-
100	F.P.	17.6	102	102	Wellington Un.	102		-	-	-	-
-	F.P.	262.1	128	118	Woodchester Units	125		-	-	-	-

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renun. date	1994/95 High	Low	Stock	Closing price p	+or-
4	Nil	3/3	2pm	½pm	Dares Estates	¾pm	+¼
68	Nil	27/2	33pm	22pm	Hewitt	22pm	
7½	Nil	3/2	1½pm	½pm	Verity	¾pm	

FINANCIAL TIMES EQUITY INDICES

	Jan 27	Jan 26	Jan 25	Jan 24	Jan 23	Yr ago	*High	*Low
Ordinary Share	2284.9	2271.9	2251.7	2251.3	2238.3	2639.9	2713.6	2238.3
Ord. div. yield	4.58	4.60	4.65	4.64	4.68	3.52	4.68	3.43
Earn. yld. % full	6.72	6.75	6.82	6.80	6.84	3.98	6.84	3.82
P/E ratio net	17.22	17.14	16.98	17.00	16.91	31.70	33.43	16.91
P/E ratio nil	16.66	16.60	16.44	16.47	16.37	29.39	30.80	16.37

*For 1994/5. Ordinary Share index since compilation: high 2713.6 2/02/94; low 49.4 26/6/40
FT Ordinary Share index base date 1/7/35.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2271.2	2275.6	2272.5	2274.4	2276.8	2276.0	2279.0	2284.9	2284.4	2285.7	2271.2

	Jan 27	Jan 26	Jan 25	Jan 24	Jan 23	Yr ago
SEAQ bargains	20,059	22,637	22,348	23,192	23,573	45,304
Equity turnover (£m)†	-	2047.1	1802.8	1867.7	1514.3	2200.2
Equity bargains†	-	31,583	30,889	30,157	31,658	50,867
Shares traded (ml)†	-	734.9	671.6	677.1	531.9	1015.4

†Excluding intra-market business and overseas turnover.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

Rule 4.2(a) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

‡ Bargains at special prices. ϕ Bargains done the previous day.

British Funds, etc

Treasury 13¾% Stk 2000/03 - £121⅝ (25Ja95)
Exchequer 10½% Stk 2005 - £111⅞ (24Ja95)

Corporation and County Stocks

Birmingham Corp 3½% Stk 1946(or after) - £36 (24Ja95)
Lincoln Corp 3% Red Stk 1919(or after) - £30 (20Ja95)
Manchester(City of) 11.5% Red Stk 2007 - £114½ (23Ja95)
Nottingham Corp Gas Anns(of £3.25) - £32 (20Ja95)
Salford (City of) 7% Ln Stk 2019(Reg) - £78⅞

UK Public Boards

Metropolitan Water Staines Res Joint Comm 3% Gtd Deb Stk - £60 (23Ja95)

Foreign Stocks, Bonds, etc-(coupons payable in London)

Hungary.(Republic of) 7½% Stlg Bds(Assd Lon 1968 Sett) - £40 (24Ja95)
Spain(Govt of) 4%(Sealed Bds) - £38 (24Ja95)
Abbey National Sterling Capital PLC8¾% Subord Gtd Bds 2004(Br£Vars) - £94.33 (23Ja95)
Abbey National Sterling Capital PLC10⅝% Subord Gtd Bds 2002 (Br £ Var) - £103.6
Abbey National Sterling Capital PLC10⅛% Subord Gtd Bds 2023 (Br £ Var) - £102½ (23Ja95)
Abbey National Treasury Servs PLC 7¾% Gtd Nts 1998 (Br £ Var) - £96.23 (25Ja95)
Abbey National Treasury Servs PLC 8% Gtd Bds 2003 (Br £ Var) - £92.095
Asian Development Bank 11% Bds 2001 (Br £1000&10000) - £107⅞
BAA PLC 11¾% Bds 2016 (Br £10000&100000) - £123⅛ (20Ja95)
BAT Capital Corporation 6.5% Gtd Bds 2003 (Br $ Var) - $85.8 85.9 (20Ja95)
BT Finance B.V. 6½% Gtd Nts 1997(Br$Vars) - $97⅛ 97½ (20Ja95)
Barclays Bank PLC 6.5% Nts 2004(Br£Various) - £82⅝
Barclays Bank PLC 9.875% Undated Subord Nts - £98⅜ϕ
Barclays Bank PLC 10¼% Sen Sub Bds 1997(Br£1000&10000) - £102¾ 3⅛ (25Ja95)
Barings PLC 9¼% Perp Subord Nts (Br£Various) - £82⅝ (23Ja95)
Bradford & Bingley Building SocietyCollared FltgRteNts 2003(Reg Mult£1000) - £93½
British Aerospace PLC 11⅜% Bds 2008 (Br £1000&10000) - £113⅞ (20Ja95)
British Airways PLC 9½% Nts 1997(Br£1000&10000) - £100⅞
British Airways PLC 10% Bds 1998(Br£1000&10000) - £101¾
British Airways PLC 10⅞% Bds 2008(Br£1000&10000) - £107.6
British Gas PLC 10⅞% Bds 2001(Br £1000,10000&100000) - £105⅝ (25Ja95)
British Gas PLC 7⅜% Bds 2044(Br£1000,10000,1000000) - £77½
British Telecommunications PLC 7½% Bds 2003 (Br £ Var) - £88⅞ (24Ja95)
Burmah Castrol Capital(Jersey) Ld 9½% Cnv Cap Bds 2006 (Reg £1000) - £137¾
Commercial Union PLC 10¾% Gtd Bds 2002 (Br £ Var) - £105.42
Daily Mail & General Trust PLC 8¾% Exch Bds 2005 (Br£1000&5000) - £133
Denmark(Kingdom of) 6⅛% Nts 1998 (Br £ Var) - £93¼ .45 (25Ja95)
ECC Group PLC 6½% Cnv Bds 2003(Br£1000&10000) - £95¼
Eastern Electricity PLC 8⅜% Bds 2004(Br£ Vars) - £93½ (24Ja95)
Electric Power Development Co. Ld 8⅛% Gtd Nts 1999(Br$Various) - $100.1
Ef Enterprise Finance PLC 8¾% Gtd Exch Bds 2006 (Reg £5000) - £98½ (20Ja95)
Export-Import Bank of Japan 8¼% Gtd Bds 2004(Br$Vars) - $99¼ 99⅜ 99⅜ (25Ja95)
Finland(Republic of) 9¾% Nts 1997 (Br£ Var) - £102.18 (23Ja95)
Finland(Republic of) 10½% Bds 1997(Br£1000&10000) - £102.655
Finland(Republic of) 10⅛% Bds 2008(Br£1000&10000) - £103⅞ (25Ja95)
Finland(Republic of) 10⅜% Bds 1998 - £103½ (20Ja95)
Forte PLC 8⅝% Bds 1997 (Br £5000) - £97½ (24Ja95)
GESB PLC 8.35% Gtd Sec Bds 2018 (Br£1000) - £90.9 (25Ja95)
Guaranteed Export Finance Corp PLC Gtd Zero Cpn Bds 2000(Br£10000&100000) - £60.73 (24Ja95)
Guinness PLC 7⅞% Nts 1997 (Br £ Var) - £96⅞
Guinness Finance BV 12% Gtd Nts 1998(Br£1000&10000) - £103½ (25Ja95)
Halifax Building Society 7¾% Nts 1998 (Br £ Var) - £95⅞
Halifax Building Society 8⅜% Nts 1999(Br£Vars) - £97 (24Ja95)
Halifax Building Society 8¾% Nts 1997 (Br£Var) - £99¾ ⅞ (25Ja95)
Halifax Building Society Collared Fltg Rte Nts 2003 (Br £ Var) - £94¼ (25Ja95)
Hanson PLC 9½% Cnv Subord 2006 (Br £Var) - £102¾
Hanson Trust PLC 10% Bds 2006 (Br£5000) - £100.806 ⅞ ⅞ 1.05
Harrisons & Crosfield PLC 7½% Subb Cnv Bds 2003(Br£1000&10000) - £88 (20Ja95)
Hydro-Quebec 6.50% Debs Sers IK 1998(Reg £ Vars) - £90⅛ (25Ja95)
Imperial Chemical Industries PLC 10% Bds 2003(Br£1000&10000) - £102⅜
Imperial Chemical Industries PLC 11¾% Bds 1995(Br£5000) - £101⅝ (25Ja95)
International Bank for Rec & Dev 9¼% Bds 2007 (Br£5000) - £101½
International Bank for Rec & Dev 10⅜% Nts 1999 (Br£5000) - £104⅞
Italy(Republic of) 8⅞% Debs 27/9/2023 (RegIntMult$1000) - $77.98
Italy(Republic of) 10½% Bds 2014 (Br£10000&50000) - £105.2 (25Ja95)
Japan Development Bank 7% Gtd Bds 2000 (Br £ Var) - £91
Kansai Electric Power Co Inc 7⅛% Nts 1998 (Br £ Var) - £95 (25Ja95)
Kyushu Electric Power Co Inc 8% Nts 1997 (Br £ Var) - £97¾ (25Ja95)
Land Securities PLC 9⅜% Cnv Bds 2004 (Br£5000&50000) - £106¾ (24Ja95)
Leeds Permanent Building Society 11½% Nts 1998 (Br £5000&100000) - £103 (20Ja95)
Lewis (John) PLC 10½% Bds 2014 (Br£10000&100000) - £1.075ϕ
Lloyds Bank PLC 7⅜% Subord Bds 2004(Br£Various) - £86½
Lloyds Bank PLC 9½% Subord Bds 2009(Br£ Vars) - £99⅛ (20Ja95)
Lonrho Finance PLC 6% Gtd Cnv Bds 2004(Br£Vars) - £90¾ (25Ja95)
MEPC PLC 10¼% Bds 2003(Br£1000&10000) - £101 (23Ja95)
Municipality Finance Ld 9½% Gtd Nts 1997 (Br £Var) - £101⅞ (24Ja95)
National Westminster Bank PLC 11½% Und-SubNts £1000(Cnv to Prf)Reg - £105¾
National Westminster Bank PLC 11½% Und-SubNts £1000(Cnv to Prf)Br - £105½ (23Ja95)
Nationwide Building Society 6⅛% Nts 1999(Br£ Vars) - £88⅞
Nationwide Building Society 8⅝% Subord Nts 2018 (Br £ Var) - £88¼ (20Ja95)
Nationwide Building Society 13.5% Subord Nts 2000 (Br £10000) - £115⅞ (25Ja95)
New Sth Wls Treas Corp Zero CpnGtd2006(Br$A1000,10000) - $A32.8 33.05 33.05 (25Ja95)
Northumbrian Water Group PLC 9¼% Bds 2002 (Br £ Var) - £98⅞ (25Ja95)
Osaka Gas Co Ld 8.125% Bds 2003 (Br £ Var) - £92.165 (20Ja95)
Pearson PLC 10½% Bds 2008(Br£1000&10000) - £105½ (25Ja95)
Pearson Sterling Finance PLC 10¾% Gtd Bds 2002 - £105⅞
PowerGen PLC 8⅞% Bds 2003 (Br £10000&100000) - £98⅞ (24Ja95)
RTZ Canada Inc 7¾% Gtd Bds 1998(Br£5000&100000) - £93⅞
Redland Capital PLC 7¼% Cnv Bds 2002(Br£1000&10000) - £96 (24Ja95)
Robert Fleming Intl Finance Ld 9¼% Perp Subord Gtd Nts (Br £ Var) - £82¾ (24Ja95)
Rothschilds Continuation Fin(C.I.)Ld9% Perp Subord Gtd Nts (Br£Various) - £80¾
Royal Bank of Scotland PLC 8⅝% Bds 2004(Br£Vars) - £82.8 ⅞
Royal Bank of Scotland PLC 9½% Undated Subord Bds (Br £ Var) - £93.15 (23Ja95)
Royal Bank of Scotland PLC 10.5% Subord Bds 2013 (Br £ Var) - £104¼ (24Ja95)
Royal Bank of Scotland PLC 10⅛% Subord Bds 1998 (Br£5000&25000) - £103⅞
Royal Insurance Hldgs PLC 9⅝% Subord Bds 2003 (Br £ Var) - £97½
SCA Capital Corporation BV 4¼% Gtd Cnv Bds 2004 (BrECU1000) - EC124½ 128 (20Ja95)
Sainsbury (J.)(Channel Islands)Ld 8½%CnvCapBds 2005(Br £5000&100000) - £127¼ (20Ja95)
Sincere Navigation Corporation 3.75% Bds 2003 (Br $10000&100000) - $98
Skandia Capital AB 11% Gtd Nts 1996(Br£10000&10000) - £102½ (24Ja95)
Tarmac Finance (Jersey) Ld 9½% Cnv Cap Bds 2006 (Reg £1000) - £99 (25Ja95)
Tate & Int Finance PLC 8% Gtd Bds 1999(Br£10000&100000) - £94.95
Tate&Lyle IntFin PLC/Tate&Lyle PLC 5¾% T&LItFnGdBds 2001(Br) W/WtsT&LPLC - £85 (20Ja95)
Tesco PLC 10⅜% Bds 2002 (Br £Var) - £104⅝
Tesco Capital Ld 9% Cnv Cap Bds 2005(Reg £1) - £114¾ 5 ½ ¾
Tesco Capital Ld 9% Cnv Cap Bds 2005(Br£5000&10000) - £114½ϕ
Thames Water Utilities Finance PLC 10½% Gtd Bds 2001 - £105.45 (20Ja95)
3i International BV 7¾% Gtd Bds 2003 (Br £ Var) - £89½ ½
Tokyo Electric Power Co Inc 11% Nts 2001 (Br £1000,10000 & 100000) - £107.85 (20Ja95)
Treasury Corporation of Victoria 8¾% Gtd Bds 2003 (Br £ Var) - £95.6ϕ
Tung Ho Steel Enterprise Corp 4% Bds 2001(Br$10000) - $116.05 116½ (25Ja95)
U-Ming Marine Transport Corporation1½% Bds 2001(Reg in Mult $1000) - $101½ 101¾ (25Ja95)
Unilever PLC 7⅞% Nts 1998 (Br £ Var) - £98¼ (25Ja95)
United Kingdom 5.25% Treasury Nts 21/1/97(Br ECU var) - EC95½ 95⅝
United Kingdom 7¼% Bds 2002(Br$Var) - $95.65 (20Ja95)
United Kingdom 8% Treasury Nts 27/1/98(BrECU Vars) - EC99.89 99.9
United Kingdom 9½% Bds 2001(Br ECU1000,10000&100000) - £87.888227ϕ
Victorian Pblc Athrs Fin Agency 9⅝% Gtd Bds 1999(Br£Vars) - £101¼ (25Ja95)
Warburg(S.G.) Group PLC 9% Perp Subord Nts (RegNtsBr£) - £82⅞ϕ
Woolwich Building Society 11⅝% Subord Nts 2001 - £108.8625 (23Ja95)
Yorkshire Electricity Group PLC 9¼% Bds 2020(Br£ Vars) - £99.05 (23Ja95)
Bayerische Hypotheken u. Wechsel BkE-CU100m 8.25% Nts 7/12/98 - EC99⅞ 100¼ (23Ja95)
CS First Boston Inc $150m Subord Fltg Rte Nts February 2004 - $90¾ 92¼ (25Ja95)
Halifax Building Society £150m 7⅞% Nts 14/4/2000 - £94.59 (20Ja95)
State Bank of New South Wales Ld 9¾ Bds 2002 (Br $A Var) - $A90½ 90⅞ (25Ja95)
Sweden(Kingdom of) £800m 7½% Nts 3/12/97 - £97
Sweden(Kingdom of) £250m 7% Instruments 22/12/98 - £92¾ 3 ⅛ (25Ja95)
Sweden(Kingdom of) £350m 7⅝% Bds 28/7/2000 - £92¾ (25Ja95)

Sterling Issues by Overseas Borrowers

Asian Development Bank 10¼% Ln Stk 2009(Reg) - £109⅞ (24Ja95)
Bank of Greece 10⅞% Ln Stk 2010(Reg) - £96¾
Denmark(Kingdom of) 13% Ln Stk 2005 - £125 (24Ja95)
European Investment Bank 9% Ln Stk 2001 (Reg) - £100 (24Ja95)
European Investment Bank 9½% Ln Stk 2009 - £103.71 .71 (25Ja95)
Hydro-Quebec 12.75% Ln Stk 2015 - £127.9 (23Ja95)
International Bank for Rec & Dev 11.5% Ln Stk 2003 - £100 (24Ja95)
Ireland 12½% Ln Stk 2008(Reg) - £125 (20Ja95)
Malaysia 10¾% Ln Stk 2009(Reg) - £107¼ (23Ja95)
New Zealand 11¼% Stk 2008(Reg) - £114¾ (24Ja95)
New Zealand 11½% Stk 2014(Reg) - £121.2 (24Ja95)
Petroleos Mexicanos 14½% Ln Stk 2006 - £107½ 8 (24Ja95)
Portugal(Rep of) 9% Ln Stk 2016(Reg) - £97⅝
Spain(Kingdom of) 11¾% Ln Stk 2010(Reg) - £119¾ (20Ja95)
Sweden(Kingdom of) 13.5% Ln Stk 2010(Br) - £131¾ (24Ja95)
Trinidad & Tobago(Republic of) 12¼% Ln Stk 2009(Reg) - £107

Listed Companies(excluding Investment Trusts)

ASH Capital Finance(Jersey)Ld 9½% Cnv Cap Bds 2006 (Reg Units 100p) - £57.97 8
Aetna Malaysian Growth Fund(Cayman)Ld Ord $0.01 - $11¼ 11⅜ (25Ja95)
Airflow Streamlines PLC 10% Cum Prf £1 - 102
Albert Fisher Group PLC ADR (10:1) - $6.8
Alida Hldgs PLC 9.25% (Net) Cum Red Prf 2008/13 £1 - 115 (20Ja95)
Allied Domecq PLC ADR (1:1) - $8
Allied Domecq PLC 5½% Cum Prf £1 - 55 (25Ja95)
Allied Domecq PLC 7½% Cum Prf £1 - 75 (25Ja95)
Allied Domecq PLC 5¼% Uns Ln Stk - £55 (25Ja95)
Allied Domecq PLC 6¼% Uns Ln Stk - £64 (23Ja95)
Allied Domecq PLC 7¾% Uns Ln Stk 93/98 - £95
Allied-Lyons Financial Services PLC6¾% GtdCnvSubordBds2008 RegMult£1000 - £94 (24Ja95)
Allied-Lyons Financial Services PLC6¾% Gtd Cnv Subord Bds 2008(Br £ Var) - £93
Allnatt London Properties PLC 10½% 1st Mtg Deb Stk 94/99 - £99½ (25Ja95)
Alvis PLC 5.5% Cnv Cum Non-Vtg Red Prf £1 - 76 7 (25Ja95)
American Brands Inc Shs of Com Stk $3.125 - $37¼
Andrews Sykes Group PLC Cnv Prf 50p - 71 (24Ja95)
Anglian Water PLC 5⅛% Index-Linked LnStk 2008(6.2840%) - £129½ϕ
Anglo-Eastern Plantations PLC Warrants to sub for Ord - 38 (20Ja95)
Arcolectric(Hldgs) PLC Ord 5p - 150 (23Ja95)
Armour Trust PLC 10½% Uns Ln Stk 91/96 - £99
Asda Property Hldgs PLC 10 5/16% 1st Mtg Deb Stk 2011 - £102¼ (23Ja95)
Associated British Engineering PLC 4.9% Cum Prf £1 - 45 (23Ja95)
Automated Security(Hldgs) PLC 5% Cnv Cum Red Prf £1 - 49 (20Ja95)
Automated Security(Hldgs) PLC 6% Cnv Cum Red Prf £1 - 44
B.A.T Industries PLC ADR (2:1) - $13.698543 .73 ¾ ⅞ (25Ja95)
BET PLC ADR (4:1) - $8.7ϕ
BOC Group PLC ADR (1:1) - $11.58
BOC Group PLC 4.55% Cum Prf £1 - 67 (25Ja95)
BOC Group PLC 12¼% Uns Ln Stk 2012/17 - £123¾ 4¼ (25Ja95)
BTP PLC 7.5p(Net) Cnv Cum Red Prf 10p - 190½ (24Ja95)
BTR PLC ADR (4:1) - $19⅛
Bailey(C.H.) PLC "B" Ord 10p - 26 (24Ja95)
Bank of Ireland(Governor & Co of) Units NCP Stk Srs A £1 & £9 Liquidation - £11.42 (25Ja95)
Bank of Ireland(Governor & Co of) Units NCP Stk SrsA Ir£1&Ir£9 Liquidation - I£10.505 (25Ja95)
Banner Homes Group PLC Ord 10p - 103 (25Ja95)
Barclays PLC ADR (4:1) - $38.8 (24Ja95)
Barclays Bank PLC 12% Uns Cap Ln Stk 2010 - £117½ ¾
Barclays Bank PLC 16% Uns Cap Ln Stk 2002/07 - £133½
Bardon Group PLC 7.25p (Net) Cnv Red Prf 25p - 78
Bardon Group PLC 11.25p Cum Red Prf 2005 10p - 97¼ ½ 8 9
Baring Chrysalis Fund Ld Wts to Sub for Ord - $1¼ (25Ja95)
Barings PLC 8% Cum 2nd Prf £1 - 97½
Barings PLC 9¾% Non-Cum Prf £1 - 117 (23Ja95)
Barnato Exploration Ld Ord R0.01 - 110
Bass PLC ADR (2:1) - $18.4 (24Ja95)
Bass PLC 10⅜% Deb Stk 2016 - £110 97 1 .02 .07 ⅞ ½ (25Ja95)
Bass PLC 4½% Uns Ln Stk 92/97 - £89½ (24Ja95)
Bass PLC 7¾% Uns Ln Stk 92/97 - £95¼ (20Ja95)
Bass Investments PLC 7⅜% Uns Ln Stk 92/97 - £95 (25Ja95)
Beattie(James) PLC 4.2% (Fmly 6%) Cum Prf £1 - 60 (23Ja95)
Bellway PLC 9.5% Cum Red Prf 2014 £1 - 115 (20Ja95)
Bemrose Corp PLC 7½% Cum Prf £1 - 73 (25Ja95)
Bergesen d-y AS "B" Non Vtg Shs NK2.5 - NK148½ 50.95 1 ¼
Birmingham Midshires Building Soc 9⅜% Perm Int Bearing Shs £1000 - £98 .325 ⅛ 9
Blue Circle Industries PLC ADR (1:1) - $4.3 (25Ja95)
Blue Circle Industries PLC 5¼% 2nd Deb Stk 1984/2009 - £71
Blue Circle Industries PLC 6¾% Uns Ln Stk(1975 or aft) - £64 (25Ja95)
Boots Co PLC ADR (2:1) - $15.4 (24Ja95)
Bradford & Bingley Building Society11⅝% Perm Int Bearing Shs £10000 - £112 ½
Bradford & Bingley Building Society13% Perm Int Bearing Shs £10000 - £124¾ (25Ja95)
Braime(T.F.&J.H.)(Hldgs) PLC Ord 25p - 215 (25Ja95)
Braime(T.F.&J.H.)(Hldgs) PLC "A" Non.V Ord 25p - 214ϕ 5ϕ
Brent International PLC 9% Cum Red Prf £1 - 94½ (20Ja95)
Brent Walker Group PLC Wts to Sub for Ord - 0¼ (24Ja95)
Brent Walker Group PLC 8.5% 3rd Non-Cum Cnv Red 2007/10 £1 - 1 2
Bristol Water Hldgs PLC Ord £1 - £10.35 (25Ja95)
Bristol Water Hldgs PLC 6.75% Cum Cnv Red Prf 1998 Shs £1 - 185 (23Ja95)
Bristol & West Building Society 13⅜% Perm Int Bearing Shs £1000 - £124¾ 5¼ ¾
Britannia Building Society 13% Perm Int Bearing Shs £1000 - £122½ ¾
British Airways PLC ADR (10:1) - $57½ 8 .65 9
British-American Tobacco Co Ld 5% Cum Prf Stk £1 - 53 (23Ja95)
British-American Tobacco Co Ld 6% 2nd Cum Prf Stk £1 - 64 (25Ja95)
British Petroleum Co PLC 8% Cum 1st Prf £1 - 85 7 (25Ja95)
British Petroleum Co PLC 9% Cum 2nd Prf £1 - 94 (24Ja95)
British Polythene Industries PLC 9.25% Cum Red Prf £1 - 110 (25Ja95)
British Steel PLC ADR (10:1) - $27¼
British Steel PLC 11½% Deb Stk 2016 - £117.825 ⅞
British Sugar PLC 10¾% Red Deb Stk 2013 - £113⅛ (23Ja95)
Brixton Estate PLC 9.50% 1st Mtg Deb Stk 2026 - £99¼ (24Ja95)
Brunel Holdings PLC 4.6p (Net) Cnv Cum Red Prf 20p - 64
Bulgin(A.F.) & Co PLC Ord Shs 5p - 60 (24Ja95)
Bulmer(H.P.)(Hldgs) PLC 8¾% 2nd Cum Prf £1 - 104¼
Bulmer(H.P.)(Hldgs) PLC 9½% Cum Prf £1 - 110 (23Ja95)
Bunzl PLC 7% Cnv Uns Ln Stk 95/97 - £95 (25Ja95)
Burmah Castrol PLC 6% Cum 1st Prf Stk £1 - 65 (23Ja95)
Burmah Castrol PLC 7¼% Cum Red Prf £1 - 72 3
Burndene Investments PLC 15% Uns Ln Stk 2007/12 - £119 (20Ja95)
Burton Group PLC 8% Cnv Uns Ln Stk 1996/2001 - £83 4¼
Butte Mining PLC 10% (Net) Cnv Cum Red Prf 1994 10p - 4
Cambridge Water Co Cons Ord Stk - £7300 800
Carlton Communications PLC ADR (2:1) - $27½ ¾ .9 8
Carlton Communications PLC 7½% Cnv Subord Bds 2007(Reg £5000) - £129½ (25Ja95)
Caterpillar Inc Shs of Com Stk $1 - $53½
Cementone PLC Wts to Sub for Ord - 10 3
Centex Corporation Shs of Com Stk $0.25 - $22⅞ 3
Cheltenham & Gloucester Build Soc 11¾% Perm Int Bearing Shs £50000 - £114½ ¾ 5¼
Chepstow Racecourse PLC Ord 25p - £8½ (23Ja95)
City Site Estates PLC 5.25% Cnv Cum Red Prf £1 - 71 (23Ja95)
City Site Estates PLC 7% Cnv Uns Ln Stk 2005/06 - £50
Clayhithe PLC 9.5% Subord Cnv Uns Ln Stk 2000/01 - £91 (24Ja95)
Cleveland Place Holdings PLC 5% Red Deb Stk 2000 - £82 (25Ja95)
Cleveland Place Holdings PLC 12⅛% Red Deb Stk 2008 - £121¼ ⅛ (20Ja95)
Coastal Corporation Shs of Com Stk $0.33 1/3 - $27⅝
Coats Viyella PLC 4.9% Cum Prf £1 - 64 8
Cohen(A.) & Co PLC Non.V "A" Ord 20p - 505 (20Ja95)
Commercial Union PLC 3.5% Cum Red Prf £1 - 67 (20Ja95)
Commercial Union PLC 8⅜% Cum Irrd Prf £1 - 108½ ¾
Commercial Union PLC 8¾% Cum Irrd Prf £1 - 109¾ ¾
Co-Operative Bank PLC 9.25% Non-Cum Irrd Prf £1 - 111¾ 2¼ (24Ja95)
Cookson Group PLC 4.9% Cum Prf £1 - 67 (25Ja95)
Cooper (Frederick) PLC 6.5p (Net) Cnv Red Cum Ptg Prf 10p - 82ϕ
Courtaulds PLC 5% Cum 1st Prf £1 - 56
Courtaulds PLC 5½% Uns Ln Stk 94/96 - £95½ (24Ja95)
Courtaulds PLC 7¾% Uns Ln Stk 2000/05 - £89¾
Coventry Building Society 12⅛% Perm Interest Bearing Shs £1000 - £113 ¼ ½
Daily Mail & General Trust PLC Ord 50p - £13.15 (25Ja95)
Debenhams PLC 6¼% 2nd Deb Stk 90/95 - £98½
Debenhams PLC 7⅛% Uns Ln Stk 2002/07 - £82 (24Ja95)
Delta PLC 3.15% Cum 2nd Prf £1 - 40 (20Ja95)
Delta PLC 10¾% Deb Stk 95/99 - £101½ (20Ja95)
Dencora PLC 6.25% Cum Cnv Red Prf £1 - 105 (25Ja95)
Dewhurst PLC Ord 10p - 89 (25Ja95)
Dover Corp Com Stk $1 - $57.7
Eclipse Blinds PLC Ord 5p - 11½ .88 2 ¼
Eldridge,Pope & Co PLC 6¾% Irrd Uns Ln Stk - £85½ (23Ja95)
Eldridge,Pope & Co PLC 7½% Irrd Uns Ln Stk - £79 (23Ja95)
Elys(Wimbledon) PLC Ord 25p - £4 4½ (24Ja95)
Emess PLC 6.25p(Net) Cnv Cum Red Prf 5p - 69
Empire Stores Group PLC 9¼% Deb Stk 94/99 - £97 (23Ja95)
English China Clays PLC ADR (3:1) - $17 (24Ja95)
English Property Corp PLC 9⅞% 1st Mtg Deb Stk 97/2002 - £98½ (20Ja95)
Enterprise Oil PLC 11⅝% Uns Ln Stk 2016 - £115 .1 .15 (25Ja95)
Ericsson(L.M.)(Telefonaktiebolaget)Ser B(Reg)SK10 - SK412 2 .2 .225 ½ 3¼ .39 .8 4 ¼ .35 ½ .88 5.095 .972 6.909
Euro Disney S.C.A. Shs FR5 (Depository Receipts) - 133 6 7 8 9 40 1 2 5 7 8 50
Euro Disney S.C.A. Shs FR5 (Br) - $2.37 FR11.55 .55 .6 .65 .68 .68125 .7 ¾ .8 .8 .81 .9 2 2 .03 .06 .12 .125 .15 .15 .153 .19 .22 .24 ¼ .4 .45 .48 ½
Eurotunnel PLC/Eurotunnel SA Units (Sicovam Inscribed) - FR25.12 .15 .35 .37 .4 ½
Eurotunnel PLC/Eurotunnel SA Fndr Wts(1EPLC & 1ESA WrttoSub forUnits) - £14 14½ 15 $ 22.05 23 23⅞ 23½ (23Ja95)
Eurotunnel PLC/Eurotunnel SA Fndr Wts (Sicovam Inscribed) - £0.074 (23Ja95)
Ex-Lands PLC Warrants to sub for Shs - 19 (23Ja95)
Exploration Co PLC Ord Stk 5p - 240 (24Ja95)
FII Group PLC 7.7% Cum Red Prf 95/99 £1 - 80 (24Ja95)
Falcon Holdings PLC Ord 5p - 120 (24Ja95)
Finlay(James)PLC 4.2% Cum 1st Prf Stk £1 - 62 (23Ja95)
First Chicago Corp Com Stk $5 - $46⅝
First National Building Society 11¾% Perm Int Bearing Shs £10000 - £102¼ (23Ja95)
First National Finance Corp PLC 7% Cnv Cum Red Prf £1 - 121⅞‡ (24Ja95)
Fitzwilton PLC 6½% Cum Prf IR£1 - I£0.51 (25Ja95)
Five Arrows Int Reserves Ld Ptg Red Prf $0.01(Deutschemark Shs) - DM83.26 (24Ja95)
Five Arrows Int Reserves Ld Ptg Red Prf $0.01 (Int Managed Shs) - £13.006015 (20Ja95)
Five Arrows Int Reserves Ld Ptg Red Prf $0.01(US$ Shs) - £38.987 (20Ja95)
Five Arrows Int Reserves Ld Ptg Red Prf $0.01(US$ Managed Shs) - £18.351922 (20Ja95)
Folkes Group PLC Ord 5p - 42 (25Ja95)
Friendly Hotels PLC 4¾% Cnv Cum Red Prf £1 - 77 (25Ja95)
Friendly Hotels PLC 7% Cnv Cum Red Prf £1 - 90
GKN PLC ADR (1:1) - £8¾
GN Great Nordic Ld Shs DK100 - DK497
G.T. Chile Growth Fund Ld Ord $0.01 - $29½ (20Ja95)
General Accident PLC 7⅞% Cum Irrd Prf £1 - 101¾ ½
General Accident PLC 8⅞% Cum Irrd Prf £1 - 109⅞ϕ 10ϕ
General Electric Co PLC ADR (1:1) - $4½
Gibbs & Dandy PLC Ord 10p - 85 (23Ja95)
Glaxo Group Ld 6¾% Uns Ln Stk 85/95 50p - 49¾ ⅞ (25Ja95)
Glaxo Group Ld 7¾% Uns Ln Stk 85/95 50p - 48 (23Ja95)
Glynwed International PLC 10¾% Uns Ln Stk 94/99 - £99 (25Ja95)
Gold Fields Coal Ld R0.50 - 355 (23Ja95)
Grand Metropolitan PLC 5% Cum Prf £1 - 54 (24Ja95)
Grand Metropolitan PLC 6¾% Cum Prf £1 - 68 (20Ja95)
Great Portland Estates PLC 9.5% 1st Mtg Deb Stk 2016 - £101.39 (24Ja95)
Greenalls Group PLC 8% Cum Prf £1 - 105
Greenalls Group PLC 11½% Deb Stk 2014 - £119¾ (23Ja95)
Greenalls Group PLC 8% Irrd Uns Ln Stk - £83 (25Ja95)
Greenalls Group PLC 9½% Irrd Uns Ln Stk - £91
Greenalls Group PLC 7% Cnv Subord Bds 2003 (Reg) - £105.95 6 .2 ¼ ½ (25Ja95)
Guinness PLC ADR (5:1) - $33⅛ (23Ja95)
Guinness Flight Global Strategy Fd Ptg Red Prf $0.01(Asean Fd) - £28.768337 (20Ja95)
Guinness Flight Global Strategy Fd Ptg Red Prf $0.01(Global High Inc Bd Fd) - £20.52
HSBC Hldgs PLC Ord $H10 (Hong Kong Reg) - $H74.68425 £9325 5.1223 .123 .159145 .280004 .42972 .566822 .587783 .6 .6 .7 .7 ¾ .817856 6 .062908
HSBC Hldgs PLC 11.69% Subord Bds 2002 (Reg) - £107 8¼ ½
HSBC Hldgs PLC 11.69% Subord Bds 2002 (Br £Var) - £108.35 (24Ja95)
Halifax Building Society 8¾% Perm Int Bearing Shs £50000 - £86⅞ ¾ (24Ja95)
Halifax Building Society 12% Perm Int Bearing Shs £1 (Reg £50000) - £117⅞ϕ
Hallon Holdings PLC Ord 5p - 71 (25Ja95)
Halma PLC 11% Cum Prf £1 - 127 (23Ja95)
Halstead(James) Group PLC 5½% Cum Prf £1 - 60 (23Ja95)
Hammerson PLC Ord 25p - 320 20 4
Hardys & Hansons PLC Ord 5p - 260
Hardys & Hansons PLC 5% 1st Cum Prf £1 - 53 (24Ja95)
Hartlepools Water Co Ord Stk - £2000 (23Ja95)
Hercules Inc Shs of Com Stk of NPV - $118¼
Hewitt Group PLC 10% Cum Prf £1 - 38 (23Ja95)
Higgs & Hill PLC 7% Cum Prf £1 - 67 (24Ja95)
Hill Samuel Sterling Fixed Int Fd Ptg Red Prf 1p - 124 1 (20Ja95)
Holmes Protection Group Inc Shs of Com Stk $0.25 - 26 (20Ja95)
Housing Finance Corporation Ld 11½% Deb Stk 2016 - £112⅝ ⅞ ⅞ .35 3½ .77 .225
IMI PLC 5½% Uns Ln Stk 2001/06 - £72 (25Ja95)
IS Himalayan Fund NV Ord FL0.01 - $13½
Iceland Group PLC Cnv Cum Red Prf 20p - 122 20 ½
Industrial Control Services Grp PLCOrd 10p - 135
Intl Stock Exchange of UK&Rep of Irld 7¾% Mtg Deb Stk 90/95 - £99 (20Ja95)
Irish Life PLC Ord I£0.10 - I£2.18 2.178
Johnson Group Cleaners PLC 7.5p (Net) Cnv Cum Red Prf 10p - 125 7
Korea-Europe Fund Ld Shs(IDR to Br $0.10 (Cpn 7) - $2525 (25Ja95)
Kvaerner A.S. Free A Shs NK12.50 - NK219
Ladbroke Group PLC ADR (1:1) - $2.71
Land Securities PLC 9% 1st Mtg Deb Stk 96/2001 - £100
LASMO PLC 10⅜% Deb Stk 2009 - £104¼ (23Ja95)
Latham(James) PLC 8% Cum Prf £1 - 70 (23Ja95)
Lebowa Platinum Mines Ld Ord R0.01 - 70 (25Ja95)
Leeds & Holbeck Building Society 13⅜% Perm Int Bearing Shs £1000 - £124¾ 5
Leeds Permanent Building Society 13⅝% Perm Int Bearing £50000 - £130½ (24Ja95)
Lewis(John) PLC 5% 1st Cum Prf Stk £1 - 56 (25Ja95)
Lewis(John)Partnership PLC 5% Cum Prf Stk £1 - 62 (25Ja95)
London International Group PLC ADR (5:1) - $5.8
Lonrho PLC ADR (1:1) - $2.4 .45
MEPC PLC 9¾% 1st Mtg Deb Stk 97/2002 - £93 ½
MEPC PLC 8% Uns Ln Stk 2000/05 - £82½ (20Ja95)
MEPC PLC 10½% Uns Ln Stk 2032 - £106
McAlpine(Alfred) PLC 9% Cum Prf £1 - 101 (24Ja95)
McCarthy & Stone PLC 8.75% Cum Red Prf 2003 £1 - 87½
McCarthy & Stone PLC 7% Cnv Uns Ln Stk 99/04 - £53
McInerney Properties PLC "A" Ord I£0.10 - I£0.04 (23Ja95)
Mandarin Oriental International Ld Ord $0.05 (Hong Kong Reg) - $H9 1372 .174735
Manganese Bronze Hldgs PLC 6¾% Cum Prf £1 - 74 (24Ja95)
Marks & Spencer PLC ADR (6:1) - $26.56
Marshall's PLC 10% Cum Prf £1 - 113 (24Ja95)
Medeva PLC ADR (4:1) - $10.8 1.22 (24Ja95)
Merchant Retail Group PLC 8¾% Uns Ln Stk 99/04 - £45
Mercury International Inv Trust Ld Ptg Red Prf 1p (Reserve Fund) - £50 1333
Mersey Docks & Harbour Co 3¾% Irrd Deb Stk - £37½ (20Ja95)
Morgan Sindall PLC 5.625% Cnv Cum Red Prf £1 - 65 (20Ja95)
Morgan Stanley Japanese Warrant Fd Warrants to sub for Com Shs - $1 (23Ja95)
NFC PLC 7¾% Cnv Bds 2007(Reg) - £92 ½ ¾
National Power PLC ADR (10:1) - $77.56
National Westminster Bank PLC 9% Non-Cum Stlg Prf Sers "A" £1 - 115
National Westminster Bank PLC 12½% Subord Uns Ln Stk 2004 - £117½ (25Ja95)
Newarthill PLC 6.775% Cum Prf £1 - 75 (24Ja95)
Newcastle Building Society 12⅝% Perm Interest Bearing Shs £1000 - £119¾
News International PLC 8% 2nd Cum Prf £1 - 67 (23Ja95)
North Housing Association Ld Zero Cpn Ln Stk 2019 - £87½ (23Ja95)
North Housing Association Ld 8¼% Gtd Ln Stk 2037 - £94⅞
Northern Foods PLC 6¾% Cnv Subord Bds 2008 (Reg) - £86 (24Ja95)
Northern Foods PLC 6¾% Cnv Subord Bds 2008 (Br £ Var) - £85 (25Ja95)
Northern Rock Building Society 12⅝% Perm Int Bearing Shs £1000 - £118 9½ ¾
Orbis PLC Ord 10p - 21 (25Ja95)
Pacific Gas & Electric Co Shs of Com Stk $5 - $25⅛
Panther Securities PLC Wts to sub for Ord - 17 (24Ja95)
Parkland Group PLC Ord 25p - 153 (25Ja95)
Paterson Zochonis PLC 10% Cum Prf £1 - 116½ (20Ja95)
Peel Hldgs PLC 9⅞% 1st Mtg Deb Stk 2011 - £97.8 8¼ (24Ja95)
Peel Hldgs PLC 5.25% (Net) Cnv Cum Non-Vtg Prf £1 - 94 4
Peel South East Ld 8¼% Uns Ln Stk 87/97 - £90 (25Ja95)
Peninsular & Oriental Steam Nav Co 3½% Deb Stk(Perp) - £35 (20Ja95)
Perkins Foods PLC 8p(Net) Cum Cnv Red Prf 10p - 88
Petrofina S.A. Ord Shs NPV (Br in Denom 1,5 & 10) - BF9217.24 39.13 58 8 63 8 6 90.567567 330
Pittards PLC 9½% Cum Prf £1 - 92 (25Ja95)
Plantation & General Invs PLC 9½% Cum Red Prf £1 - 94 (23Ja95)
Plantation & General Invs PLC 9% Cnv Uns Ln Stk 1999 - £85 (25Ja95)
Potgietersrust Platinums Ld Ord R0.025 - 410
Powell Duffryn PLC 4¾% Cum Prf 50p - 23½ 5 (20Ja95)
Premier Health Group PLC Ord 1p - 1¼ (25Ja95)
Quicks Group PLC 10% Cum Prf £1 - 112 (25Ja95)
R.E.A.Hldgs PLC 9% Cum Prf £1 - 86 (24Ja95)
RJB Mining PLC Ord 1p (RFD-1/1/95) - 307 12
RPH Ld 2.8% (Fmly 4%) Cum Prf £1 - 43 (20Ja95)
RPH Ld 5.6% (Fmly 8%) Cum Prf £1 - 85 (20Ja95)
RPH Ld 4½% Uns Ln Stk 2004/09 - £33ϕ
RPH Ld 9% Uns Ln Stk 99/2004 - £93 (25Ja95)
RTZ Corporation PLC 3.325% "A" Cum Prf £1 - 50 (25Ja95)
Racal Electronics PLC ADR (2:1) - $7.2 (25Ja95)
Rank Organisation PLC ADR (2:1) - $12.05
Reckitt & Colman PLC 5% Cum Prf £1 - 53 (20Ja95)
Reed International PLC 3.15%(Fmly 4½%) Cum Red Prf £1 - 45 (20Ja95)
Reed International PLC 3.85% (Fmly 5½%) Cum Red Prf £1 - 58 (25Ja95)
Republic Goldfields Inc Shs of NPV - $C2.4 (20Ja95)
Richards PLC 4% Cum Pfd £1 - 45 (25Ja95)
Rolls-Royce Power Engineering PLC 3% Cum Red Prf £1 - 52 (23Ja95)
Royal Bank of Scotland Group PLC 5½% Cum Prf £1 - 62 9
SCEcorp Shs of Com Stk of NPV - $15⅝ (23Ja95)
SHK Indonesia Fund Ld Ord $1 - $8 (24Ja95)
Saatchi & Saatchi Co PLC ADR (3:1) - $5.4ϕ
Saatchi & Saatchi Co PLC 6% Cnv Uns Ln Stk 2015 - £82
Sainsbury(J) PLC ADR (1:1) - $6.85
Sainsbury(J) PLC 8% Irrd Uns Ln Stk - £81½
Scholl PLC 8⅞% Cum Red Prf 2001/05 £1 - 98 (23Ja95)
Scholl PLC 5¼% Cnv Cum Red Prf 2006/11 £1 - 64 (24Ja95)
Schroder Japanese Warrant Fund Ld IDR (In Denom 100 Shs & 10000 Shs) - $80 (24Ja95)
Sears PLC 7¼% Uns Ln Stk 92/97 - £97 (24Ja95)
Severn River Crossing PLC 6% Index-Linked Deb Stk 2012 (6.498%) - £115½ (24Ja95)
Shanghai Fund (Cayman) Ld Ptpg Shs $0.01 - $7 (23Ja95)
Shell Transport&TradingCo PLC Ord Shs (Br) 25p (Cpn 193) - 697 (23Ja95)
Shell Transport&TradingCo PLC 5½% 1st Prf(Cum)£1 - 65 (23Ja95)
Shield Group PLC Ord 5p - 7 (24Ja95)
Shield Group PLC 6.84% (Net) Cnv Cum Red Prf £1 - 15
Shoprite Finance (UK) PLC 7.875p(Net) Cum Red Prf Shs 2009 - 87½ (23Ja95)
Sidlaw Group PLC 7½% Uns Ln Stk 2003/08 - £91½ (24Ja95)
Skipton Building Society 12⅞% Perm Int Bearing Shs £1000 - £118½ 9½ 20
Smith New Court PLC 12% Subord Uns Ln Stk 2001 - £103½ (25Ja95)
Smith,St.Aubyn(Hldgs) PLC 9½% Cum 2nd Prf £1 - 96 (24Ja95)
Smith (W.H.) Group PLC 5½% Red Uns Ln Stk - £53 (20Ja95)
SmithKline Beecham PLC ADR (5:1) - $35¾
SmithKline Beecham PLC/SmithKline ADR (5:1) - $33⅞
Stag Furniture Hldgs PLC 11% Cum Prf £1 - 96 (24Ja95)
Sutcliffe,Speakman PLC 9½% Red Cum Prf £1 - 97 100
T & N PLC 11¼% Mtg Deb Stk 95/2000 - £101½
TSB Gilt Fund Ld Ptg Red Prf 1p(Class"A" Ptg Red Prf) - 99.07 (23Ja95)
TSB Group PLC 10⅜% Subord Ln Stk 2008 - £107½ϕ
TSB Offshore Inv Fund Ld Ptg Red Prf 1p(Pan American Class) - 425.34 (25Ja95)
TT Group PLC 10.875% Cnv Cum Red Prf Shs £1 1997 - 250 (25Ja95)
Taipei Fund Units (IDR to Br) - $81000
Tate & Lyle PLC ADR (4:1) - £17.48ϕ
Tate & Lyle PLC 6½% (4.55% plus tax credit)Cum Prf £1 - 73 (23Ja95)
Tate & Lyle PLC 13¼% Uns Ln Stk 2003/08 - £105½ (24Ja95)
Taylor Woodrow PLC 9½% 1st Mtg Deb Stk 2014 - £98⅞ (25Ja95)
TeleWest Communications PLC ADR (10:1) - $27⅞ ½ ⅝
Tesco PLC ADR (1:1) - $3.9 4.08
Tesco PLC 4% Uns Deep Disc Ln Stk 2006 - £63½ (24Ja95)
Thai Prime Fund Ld Ptg Red Prf $0.01 - $12½ (24Ja95)
Thailand International Fund Ld Ptg Shs $0.01 (IDR's to Br) - $25250 (24Ja95)
THORN EMI PLC ADR (1:1) - $15.88 (25Ja95)
Thwaites(Daniel) PLC 5% 1st Cum Prf £10 - 520 (25Ja95)
Tootal Group PLC 4¾% Perp Deb Stk - £48 (25Ja95)
Tops Estates PLC Wts to sub for Ord - 16 (24Ja95)
Tops Estates PLC 10¼% 1st Mtg Deb Stk 2011/16 - £104¼ (20Ja95)
Trafalgar House PLC 7% Uns Deb Stk £1 - 67 (23Ja95)
Trafalgar House PLC 9½% Uns Ln Stk 2000/05 - £90 (25Ja95)
Trafalgar House PLC 10¼% Uns Ln Stk 2001/06 - £98½ 9½ (25Ja95)
Transatlantic Holdings PLC 8 6% Cnv Prf £1 - 32
Transport Development Group PLC 5¼% Uns Ln Stk 95/2000 - £87
Unibank Scandinavian Fund Ld Ptg Red Prf 1p - 202 71ϕ
Unigate PLC 5% Uns Ln Stk 91/96 - £95 (24Ja95)
Unigate PLC 6½% Uns Ln Stk 91/96 - £95 (24Ja95)
Unigate PLC 6½% Uns Ln Stk 92/97 - £90 ½ (24Ja95)
Unilever PLC ADR (4:1) - $72
Union International Co PLC 6% Cum Prf Stk £1 - 55 8
Union International Co PLC 7% Cum Prf Stk £1 - 57 (25Ja95)
Unisys Corp Com Stk $0.01 - $8⅞
Vaux Group PLC 4½% "A" Cum Prf £1 - 45 (24Ja95)
Vickers PLC 5% Cum(Tax Free To 30p)Prf Stk £1 - 72
Vodafone Group PLC ADR(10:1) - $29.25 .39 [illegible]
Wagon Industrial Hldgs PLC 7.25p (Net) Cnv Ptg Prf 10p - 130 (25Ja95)
[illegible] & Co PLC Ord 25p - 135 (24Ja95)
[illegible] Group PLC 7⅜% Cum Prf £1 - 79 (23Ja95)
Warburg (S.G.) Group PLC Cnv Dfd 25p - 495 5
Wellcome PLC ADR (1:1) - $15.23 .37 ⅞ .4 ½ ⅝
Wembley PLC 6p(Net)Cnv Cum Red Prf 1999 £1 - 60ϕ
Wereldhave Property Corp PLC 9.5% 1st Mtg Deb Stk 2015 - £98½ (24Ja95)
Whitbread PLC 4½% 2nd Cum Prf Stk £1 - 51 (23Ja95)
Whitbread PLC 6% 3rd Cum Prf Stk £1 - 60 1 2 (23Ja95)
Whitbread PLC 7% 3rd Cum Prf Stk £1 - 76 (24Ja95)
Whitbread PLC 4½% Red Deb Stk 99/2004 - £73 (24Ja95)
Whitbread PLC 7¼% Uns Ln Stk 95/99 - £91½ (25Ja95)
Whitbread PLC 7¾% Uns Ln Stk 99/2000 - £92½
Whitecroft PLC 5.1% Cum Prf £1 - 58 (23Ja95)
Williams Hldgs PLC 10¾% Cum Prf £1 - 125 (23Ja95)
Willis Corroon Group PLC ADR (5:1) - $11.01ϕ
Witwatersrand Nigel Ld Ord R0.25 - 25 (23Ja95)
Wyevale Garden Centres PLC 8.5% (Net) Cnv Cum Red Prf £1 - 150 (20Ja95)
Xerox Corp Com Stk $1 - $105⅛ (25Ja95)
Yorkshire-Tyne Tees TV Hldgs PLC Wts to sub for Ord - 242 3 9 52
Yule Catto & Co PLC 11½% Cum Red Prf 1998/2003 £1 - 107 (23Ja95)

Investment Trusts

Anglo & Overseas Trust PLC 4½% Cum Prf Stk - £40ϕ
BZW Endowment Fund Ld Redeemable Ord 1p - 103
Baillie Gifford Japan Trust PLC Wts to Sub Ord Shs - 48 (25Ja95)
Baillie Gifford Shin Nippon PLC Warrants to sub for Ord - 76
Baillie Gifford Shin Nippon PLC Warrants to sub for Ord 2005 - 60
British Assets Trust PLC "A" 5% Prf Stk(Cum) - £53 (23Ja95)
British Assets Trust PLC Equities Index ULS 2005 10p - 144½ ½
British Empire Sec & General Trust 10⅛% Deb Stk 2011 - £107 (25Ja95)
Capital Gearing Trust PLC Ord 25p - 460 73
Edinburgh Investment Trust PLC 11½% Deb Stk 2014 - £121 (23Ja95)
English & Scottish Investors PLC "B" 25p - 111 (20Ja95)
Finsbury Smaller Co's Trust PLC Zero Div Prf 25p - 189½
Fleming Far Eastern Inv Trust PLC 4½% Cum Prf £1 - 50 (20Ja95)
Fleming Japanese Inv Trust PLC 5% Cum Prf £1 - 55½ (20Ja95)
Gartmore British Inc & Grth Tst PLCZero Dividend Prf 10p - 106⅞ ½ ¾ (24Ja95)
Gartmore Shared Equity Trust PLC Geared Ord Inc 10p - 85½
HTR Japanese Smaller Co's Trust PLCOrd 25p - 91 .45 ½ .7 ¾ 2½ ½ 3
JF Fledgeling Japan Ld Warrants to sub for Ord - 34 5½
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p U.K. Active Fund - £13.78 13.83 (20Ja95)
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p U.K. Liquid Assets Fund - £10 (20Ja95)
London & St Lawrence Investment PLCOrd 5p - 163½ 4 (25Ja95)
MorganGrenfellLatinAmerCo's Tst PLCWts to sub for Ord - 36 ½ (25Ja95)
New Guernsey Securities Trust Ld Ord 25p - 95¼ϕ
New Throgmorton Trust(1983) PLC 12.6% Deb Stk 2008 - £121 (23Ja95)
Paribas French Investment Trust PLCSers "A" Warrants to sub for Ord - 10½ (25Ja95)
Paribas French Investment Trust PLCSers "B" Warrants to sub for Ord - 11
Rights and Issues Inv Trust PLC 5½% Cum Prf £1 - 78
River Plate & Gen Invest Trust PLC 5% Cum Pfd Stk - £103¼ (25Ja95)
Schroder Korea Fund PLC Ord $0.01 (Br) - $12¼ (23Ja95)
Schroder Korea Fund PLC Wts to Sub for Ord (Br) - $8 (24Ja95)
Scottish Investment Trust PLC 4.55% Cum "A" Prf Stk - £66
Scottish National Trust PLC 10% Deb Stk 2011 - £104¼
Securities Trust of Scotland PLC 4½% Cum Prf Stk - £47
Shires High-Yielding Smllr Co's TstWts to Sub for Ord - 64 (25Ja95)
Throgmorton Trust PLC 7¼% Cum 1st Prf £1 - 78 (20Ja95)
Throgmorton Trust PLC 12 5/16% Deb Stk 2010 - £120 (24Ja95)
Wigmore Property Investment Tst PLCWts to Sub for Ord - 12 5
Witan Investment Co PLC 8½% Deb Stk 2016 - £94 (24Ja95)

USM Appendix

Crossroads Oil Group PLC ADR (1:20) - $5.55 (25Ja95)
Ekos PLC Ord 10p - 310
FBD Holdings PLC Ord Ir£0.50 - I£1.63 (25Ja95)
Gibbs Mew PLC Ord 25p - 428
Midland & Scottish Resources PLC Ord 10p - 2 (25Ja95)
Total Systems PLC Ord 5p - 35 (23Ja95)
United Energy PLC Wts to sub for Ord - 3 (24Ja95)

Suspended Securities

Symonds Engineering PLC Ord 5p - 32 (23Ja95)

Rule 4.2(a)

Advanced Media Group PLC Ord £1 - £2¼
Advanced Media Group PLC Wts to sub for Ord - £1.4 (20Ja95)
Ann Street Brewery Co Ld Ord £1 - £4 (24Ja95)
Ann Street Brewery Co Ld Cnv Red 2nd Prf £1 - £8¾
Arsenal Football Club PLC Ord £1 - £425 450 (24Ja95)
Aston Villa Football Club PLC Ord £5(1 vote) - £80
Azure Group PLC Ord 10p - £0.265 (24Ja95)
Barclays Investment Fund(C.I.) Sterling Bd Fd - £0.4118‡ (20Ja95)
Brakspear(W.H.)& Sons PLC Ord 25p - £2.6
Cafhaven PLC Ord 5p - £0.1
Cawston Group Ld "A"Ord £1 - £0.05 (23Ja95)
Channel Islands Comms (TV) Ld Ord 5p - £0.59 (24Ja95)
Codehall PLC Ord £1 - £0.01
Conister Trust PLC Ord 25p - £0.22 (20Ja95)
Country Gardens PLC Ord 25p - £0.36
D B.S.Management PLC Ord 10p - £2.36 (20Ja95)
Dawson Hldgs PLC Ord 10p - £5¼ϕ
Electrophonetics Intl. PLC Ord 1p - £0.45 0.46 (20Ja95)
Enterprise Computer Hldgs PLC 10% Uns Ln Stk 92/98 - £22 (25Ja95)
Forestream Ld Ord £1 - £0.62 0.63 0.64 0.65
Formacan International Group PLC Ord 1p - £0.56
Gander Holdings PLC Ord 1p - £0.0725
Graduate Appointments PLC Ord 1p - £0.1 (25Ja95)
Guernsey Gas Light Co Ld Ord 10p - £0.98 1.02 (24Ja95)
Guernsey Press Co Ld Ord 10p - £1.98 (23Ja95)
Hill Samuel Fund Managers Jersey LdGlobal Equity Fund - $19.62 (20Ja95)
Hecox Dedicated Insurance Fund Ord 50p - £1.13 (23Ja95)
Hydro Hotel Eastbourne PLC Ord £1 - £4
ITS Group PLC Ord £1 - £0.305ϕ
Independent British Healthcare PLC Ord 25p - £0.8 0.81 0.82 (24Ja95)
Just Group PLC Ord 1p - £0.0275 0.03 (24Ja95)
Kleinwort Benson(Int) Fund Man Int Acc Units Bond Fd - £14.501 (25Ja95)
Kleinwort Benson(Int) Fund Man KB Gilt Fund - £13.78
Kleinwort Benson(Int) Fund Man Int Equity Gwth Inc - £2.489ϕ 2.804058ϕ 2.804081ϕ
Labyrinth Group PLC Ord 10p - £0.42 (25Ja95)
Lancashire Enterprises PLC Ord 5p - £1.82
Lawrie Group PLC Ord £1 - £26 (25Ja95)
La Riche's Stores Ld Ord £1 - £8.08
Leisuretime Inns PLC Ord 5p - £0.06 (25Ja95)
Lion Publishing PLC Ord 50p - £1 (25Ja95)
Liverpool FC & Athletic Grounds PLCOrd £5 - £540
London Fiduciary Trust PLC Ord 1p - £0.0225 0.025 (25Ja95)
Manx & Overseas PLC Ord 5p - £0.08 (23Ja95)
Marine & Mercantile Securities PLC Ord Ir£0.20 - £1.55
Memory Corporation PLC Ord 2p - £1.1 1.12 1.13 1.14 1.15
Milestech PLC Ord 10p - £0.085 (24Ja95)
National Parking Corp Ld Ord 10p - £4⅛
Newbury Racecourse PLC Ord £100 - £2652ϕ
Northern Maritime Property Inns Ld Ord 0.1p - £0.63 0.64
Oakhill Enterprises Ld Ord £1 - £0.045
OmniMedia PLC Ord 5p - £0.65
Pacific Media PLC Ord 1p - £¼
Pacific Media PLC 11% Cum Prf £1 - £0.55 (24Ja95)
Pan Andean Resources PLC Ord 1p - £0.05 (20Ja95)
Perpetual(Jersey) Offshore Asian Smaller Markets - $1.417 (24Ja95)
Perpetual(Jersey) Offshore Far Eastern Grwth Fd - £2.805201 (25Ja95)
Perpetual(Jersey) Offshore UK Growth - £2.932 (24Ja95)
Rangers Football Club PLC Ord 10p - £0.86
Scottish Pride Hldgs PLC Ord 10p - £0.35 (23Ja95)
Severn Valley Railway(Hldgs)PLC Ord £1 - £0.7 (25Ja95)
Shepherd Neame Ld "A" Ord £1 - £7 15 (23Ja95)
Silkbarn PLC Shs 1p - £0.0225ϕ
South Green Hldgs PLC Ord 1p - £0.0075
Southern Newspapers PLC Ord £1 - £4.4 4.42
Southern Vectis PLC Ord 10p - £0.33 (25Ja95)
Surrey Free Inns Ord £1 - £0.49
Sutton Harbour Hldgs Ld Ord 20p - £1¼ (24Ja95)
Thwaites(Daniel)& Co PLC Ord 25p - £7.8 (20Ja95)
Treghur PLC Ord 5p - £0.0325
Tracker Network PLC Ord £1 - £6½ (23Ja95)
Transense Technologies PLC Ord 1p - £1 (23Ja95)
Unicorn Inns PLC Ord 25p - £0.8
Wadworth & Co Ord £1 - £12 (25Ja95)
Wadworth & Co "A" Ord £1 - £11½ (25Ja95)
Warburg Asset Management Jersey Mercury Intl Gold & General Fd - $1.7 (20Ja95)
Wedderburn Securities PLC Ord 5p - £0.1 (24Ja95)
Weetabix Ld "A" Non V Ord 25p - £19¼ 19½
Winchester Multi Media PLC Ord 5p - £0.745 (25Ja95)

RULE 2.1 (a)(v)

Bargains marked in securities (not falling within Rule 2.1 (a)(i)) where the pricipal market is outside the UK and Republic of Ireland .

Aust Found Inv 94(25.1)
Bank E Asia H$23.877178,23.9816(26.1)
Black Hill Mins 5ϕ(25.1)
Centaur Mining A$0.61799(20.1)
Churchill Res 10½ϕ(20.1)
City Devs S$6.594371,6.628162(26.1)
Dainippon Sors Man Y706¼(24.1)
Dulker Exploration $19⅞ϕ(24.1)
Futuris Corp A$1.08(26.1)
High Plains $11⅞ϕ(20.1)
Kulim Malaysia Ord(Reg) 71(26.1)
Kulim Sdim Rubber 108(20.1)
Leighton Hldgs A$1.885(26.1)
Malayan Cement RM3.8238(25.1)
Malayan Credit S$2.5284(20.1)
Malaysian Plants 34(20.1)
McCarthy Grp FZ16½(23.1)
Nampak FZ13.74,13.75(25.1)
Nat Electronics Hldgs 2ϕ(24.1)
Nth Flinders Mines 370(26.1)
Ocean Resources A$0.1411(25.1)
Oil Search 35ϕ,37(26.1)
Portman Mining A$0.666(23.1)
Pretoria Portland FZ98.0(26.1)
Regal Hd Hldgs H$1.37(23.1)
Rutgerswerke DM301.40(24.1)
Singapore Land S$7.985599(26.1)
Stride Rite Corp $10⅝(26.1)

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FT-SE ACTUARIES INDICES

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LONDON STOCK EXCHANGE

MARKET REPORT

Firm close following US inflation and GDP data

By Terry Byland,
UK Stock Market Editor

Favourable views of the latest data on the US economy put some strength behind a further advance by the London stock market yesterday. After a slow start, equities gathered pace behind government bonds, which followed US Treasuries higher.

The US gross domestic product and inflation data were hailed by President Clinton as showing the best combined rates of high growth and low inflation in 25 years.

At the close, the FT-SE 100 Share Index was 14.9 up at 3,022.2, effectively the best of the session. About two-thirds of the gain came after news of an unexpectedly large annualised rise of 4.5 per cent in US fourth quarter GDP but a significantly lower than expected rise of 1.6 per cent in the implicit price deflator.

UK analysts still believe that the Open Market Committee of the Federal Reserve will tighten credit at Tuesday's meeting but yesterday's inflation statistics took the edge off fears that US rates may go up by three quarters of a point; at worst, the market now expects only a half point rise which has been largely discounted.

British government bonds picked up towards the close, with attention concentrating on the long end, which is the market's guide to inflation prospects. Late dealings saw net gains of around half a point. Short dates, closely attuned to near-term prospects for base rates, merely held steady.

At last night's close, the Footsie was showing a gain of 0.9 per cent, or 27.1 points over the week. The blue chips have been slow to make headway this week in spite of the heavy speculation touched off by Glaxo's £9.2bn bid for Wellcome.

The Glaxo move, probably the largest recorded in London, appeared to move nearer success yesterday when Wellcome Trust said it was staying firm behind Glaxo's offer unless a higher bid arrives. Shares in Wellcome improved, but the market had little confidence in the Wellcome board's rejection of the bid; the Trust's decision makes it less likely that Glaxo will increase its terms, and it will be difficult to find a third party able to outbid the existing offer.

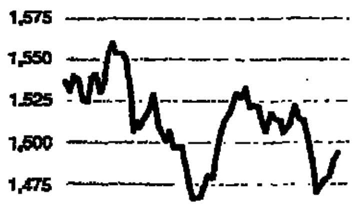
The session started slowly, with new denials of several of the bid stories circulating in the banking sector taking the steam out of the previous day's activity. At the end of the session, however, the advance by the blue chips reignited some of the speculation in the banks.

The upturn came too late to benefit the second line stocks, and the FT-SE Mid 250 Index closed only one point up at 3,398.2. The Mid 250 Index fell by 0.7 per cent this week as the investment attention has remained firmly fixed around the blue chip sectors which make up the Footsie list. Second line stocks also missed out on the spate of arbitraging between futures and Footsie stocks seen at mid-week.

Seaq volume ended the day with a total of 613.6m shares, compared with more than 700m in the previous session. Thursday's equity business was worth £2bn at retail level, a high figure by bull market standards and one not achieved for many months.

Dealers and analysts agreed that the unexpectedly good news on US inflation had lightened the mood in the UK market. However, investors have still to face a probable rate rise by the Federal Reserve next week and also the next meeting of the UK chancellor of the exchequer and the governor of the Bank of England.

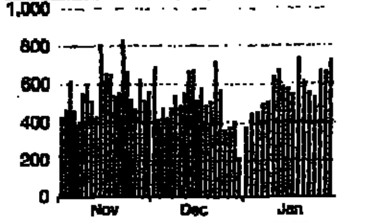
FT-SE-A All-Share Index



Source: FT Graphite

Equity Shares Traded

Turnover by volume (million). Excluding: Intra-market business and overseas turnover



■ Key Indicators

Indices and ratios		
FT-SE Mid 250	3398.2	+1.0
FT-SE-A 350	1510.0	+5.8
FT-SE-A All-Share	1494.34	+5.29
FT-SE-A All-Share yield	4.09	(4.11)
FT Ordinary index	2284.9	+13.0
FT-SE-A Non Fins p/e	17.60	(17.52)
FT-SE 100 Fut Mar	3029.0	+6.0
10 yr Gilt yield	8.67	(8.73)
Long gilt/equity yld ratio:	2.14	(2.14)

FT-SE 100 Index	
Closing Index for Jan 27	3022.2
Change over week	+27.2
Jan 26	3007.3
Jan 25	2982.2
Jan 24	2969.0
Jan 23	2954.2
High*	3022.7
Low*	2949.4

*Intra-day high and low for week

TRADING VOLUME IN MAJOR STOCKS

	Vol. 000s	Closing price	Day's change		Vol. 000s	Closing price	Day's change
3i†	865	353	+4	Lonrho	2,200	155½	+2
ASDA Group†	17,000	69¼	+¼	Lucas	8,400	189	+5
Abbey National†	2,900	429	+8	MEPC†	2,800	373	
Albert Fisher	8,700	45	+1	MFI	818	128½	-½
Allied Domecq†	3,300	515	+5	Manweb	85	794	-10
Anglian Water	187	475	-8	Marks & Spencer†	8,000	378	+3½
Argos	105	342		Midlands Elect.	128	774	-8
Argyll Group†	3,700	281	-1	Morrison (Wm.)	409	144	
Arjo Wiggins†	881	233½	-½	NFC	1,100	165	
Assoc. Brit. Foods†	616	593	+2½	NatWest Bank†	3,300	491	-2
Assoc. Brit. Ports	795	278	-4	National Power†	3,900	478	+1
BAA†	1,300	495	+8	Next	913	254	
BAT Inds.†	3,900	449½	-1½	North West Water†	345	495	-3
BET	864	102½		Northern Elect.	338	973	-17
BICC	3,100	303		Northern Foods	1,900	204	+1
BOC†	1,300	717		Norweb	186	810	-5
BP†	9,200	413	+1¼	Pearson†	772	576	+1
BPB Inds.	1,100	314	-1	P & O†	1,800	568	
BT†	8,600	404	+4½	Pilkington	1,400	148	+1
BTR†	7,600	304½	+1½	PowerGen†	3,200	532	
Bank of Scotland†	2,000	210	-1	Prudential†	2,000	298	+2
Barclays†	8,600	582	-2	RMC†	79	829	
Bass†	1,400	523	+6	RTZ†	3,900	788	+10
Blue Circle†	1,600	268	-1	Racal	843	223	-4
Booker	96	393	+1	Rank Org.†	2,900	378	-3
Boots†	1,200	471		Reckitt & Colman†	2,300	622	+8
Bowater†	1,800	417	-2	Redland†	888	425	+2
Brit. Aerospace†	3,700	488	-6	Reed Intl.†	1,200	749	+8
British Airways†	12,000	373	+5½	Rentokil†	303	223½	+2
British Gas†	10,000	305½	+7	Reuters†	2,500	438	-2
British Land	1,400	378	+11	Rolls Royce†	6,600	159½	+3½
British Steel†	10,000	149¾	+¼	Ryl Bk Scotland†	2,000	394	+4
Bunzl	527	185	+1	Royal Insurance†	1,800	283	+1
Burmah Castrol†	820	828	+10	Sainsbury†	4,700	433	+4
Burton	739	70½	-½	Schroders†	25	1465	+25
Cable & Wire†	11,000	379	+1	Scottish & New.†	1,000	511	+5
Cadbury Schweppes†	8,200	421	-1	Scot. Hydro-Elect.	605	320	-1
Caradon†	3,200	228	-½	Scottish Power†	498	332	-1
Carlton Comms.†	922	878	+5	Sears†	3,900	99½	+½
Coats Viyella	2,000	178	-2½	Sedgwick	189	150	+1
Comm. Union†	1,900	489	-7	Seeboard	292	432	-9
Cookson	69	224	-1	Severn Trent†	482	494	-5
Courtaulds†	218	425		Shell Transport†	2,700	719	+6
Dalgety	601	404	+2	Siebe†	1,200	509	
De La Rue†	111	1008		Slough Ests	645	225	+2
Dixons	1,000	202	+1	Smith (W.H.)	1,700	430	+1
Eastern Elect.†	290	714	-8	Smith & Nephew†	8,100	160½	+¾
East Midland Elect.	44	777	-11	SmKl Beecham†	2,800	450	
Electrocomps	255	482	-2	SmKl Beecham Uts.†	837	420	-1
Eng China Clays	525	372	+5	Smiths Inds.	1,800	495	-6
Enterprise Oil†	1,000	402	+2	Southern Elect.†	289	744	+1
Eurotunnel Units	109	294	-6	South Wales Elect.	94	807	-9
FKI	402	147	-1	South West Water	6	477	-3
Fisons	1,300	107½	+½	South West. Elect.	94	803	-10
Foreign & Col. I.T.	1,200	130	+1½	Southern Water	105	531	-5
Forte†	1,400	240	+3	Standard Chartd.†	7,900	253	-9
Gen. Accident†	1,100	520	-3	Storehouse	2,700	221	+2
General Elect.†	5,400	274	+1	Sun Alliance†	974	299	-1
Glaxo†	16,000	617	+1	T&N	4,200	150½	+½
Glynwed	3	307		TI Group†	2,900	340	+1
Granada†	1,100	482		TSB†	2,400	249	+1
Grand Met.†	7,300	385	+3	Tarmac	2,100	114	+1½
GUS†	3,600	515	-1	Tate & Lyle	548	428	+4
GRE†	1,300	173	+½	Taylor Woodrow	14	128	
GKN†	1,200	549	+3	Tesco†	4,400	255	+1
Guinness†	8,900	421	+9	Thames Water†	681	483	-4
HSBC (75p shs)†	4,200	631	+8	Thorn EMI†	1,000	1018	+5
Hammerson	60	323	-1	Tomkins†	3,200	219½	+½
Hanson†	14,000	232½	-1	Trafalgar House	759	66	-1
Harrisons Crosfield	1,000	142	-1	Unigate	375	353	+4
Hays	143	289	-5	Unilever†	2,800	1164	+20
Hillsdown	4,200	176	+5	United Biscuits†	1,300	322	-3
IMI	45	291		Utd. Newspapers	800	479	-1
ICI†	1,100	782	+9	Vodafone†	4,400	190½	+3
Inchcape†	3,800	317½	+6½	Warburg (SG)†	1,200	758	+11
Johnson Matthey	816	510	-15	Wellcome†	11,000	998	+12
Kingfisher†	19,000	408	+19	Welsh Water	59	567	-1
Kwik Save	703	567	+12	Wessex Water	92	275	-2
Ladbroke†	7,000	188	-2	Whitbread†	1,000	568	+3
Land Securities†	1,100	553	-2	Williams Hldgs.†	563	328	
Laporte	88	674	-8	Willis Corroon	1,500	137½	-1½
Legal & General†	2,000	432	+7	Wimpey	1,000	117	+3
Lloyds Abbey	320	390	+4	Wolseley†	912	759	+8
Lloyds Bank†	2,700	551	-3	Yorkshire Elect.	244	788	-6
LASMO	5,200	147	+6	Yorkshire Water	62	486	-4
London Elect.	236	702	-14	Zeneca†	867	885	-1

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. All trades are rounded. † Indicates an FT-SE 100 Index constituent.

EQUITY FUTURES AND OPTIONS TRADING

Derivatives market traded more calmly than earlier in the week, *writes Terry Byland*. The March contract moved within a narrow range before closing at a small premium to the final reading on the FT-SE 100 Share Index itself. For much of the session, the contract languished but the pace quickened in late afternoon as US bonds responded favourably to the data on US GDP and inflation.

Traders said the futures market was now looking more confident but was unlikely to make progress ahead of next week's meeting of the Federal Open Market Committee. Futures provided little impetus for underlying equities yesterday and much of the business was left to the independent traders, or locals. The London market is still focused around the prospects for interest rates both at home and in the US. In traded options, 34,741 contracts were dealt, the FT-SE 100 contract recording 11,536.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	3023.0	3029.0	+8.0	3042.0	3015.0	12800	58950
Jun		3038.5	+5.5			0	5356
Sep		3062.0	+6.0			0	36

■ FT-SE MID 250 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar		3410.0	-			0	3944

■ FT-SE 100 INDEX OPTION (LIFFE) (*3021) £10 per full index point

	2850		2900		2950		3000		3050		3100		3150		3200	
	C	P	C	P	C	P	C	P	C	P	C	P	C	P	C	P
Feb	183½	5	138	8	95	15½	59	30½	31	53	14½	87	5½	136	2	186
Mar	194½	17	152	25	116	38	83½	55½	56	79	35½	108½	21	145½	12	189½
Apr	209½	32½	171½	45	136	60½	105½	80	79½	103½	56	131	39½	165	26½	201½
May	226	41½	189½	56	158½	73	126	94	101	118½	77½	146	60	179	49½	214
Jun†			198½	65			140	104			91	158			56	220½

Calls 5,027 Puts 5,972

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	2875		2925		2975		3025		3075		3125		3175		3225	
Feb	161	7	116½	12	76½	21½	43	38	20½	65½	8½	103	2½	147	1	195½
Mar	172	19½	133	30	97	43½	66½	62½	43	88½	25½	120½	13½	158½	6½	200½
Apr	186	34	159	48	119	67	92	90	69½	117½	52	130	37½	165½	26½	224½
Jun			187½	76½			129½	116			83½	168			50½	233
Sept†			231	99			174½	139			127	187½			89	245½

Calls 3,237 Puts 1,255 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

FT-SE-A INDICES - LEADERS & LAGGARDS

Percentage changes since December 30 1994 based on Friday January 27 1995

Banks, Merchant	+4.78	Chemicals	-1.10	FT-SE Mid 250	-2.96
Tobacco	+3.92	Transport	-1.12	Life Assurance	-2.96
Household Goods	+3.90	FT-SE SmallCap ex IT	-1.19	Financials	-3.17
Retailers, Food	+3.41	FT-SE-A 350 Higher Yield	-1.21	Media	-3.31
Pharmaceuticals	+2.80	FT-SE-A Fledgling	-1.24	Leisure & Hotels	-3.54
Telecommunications	+2.53	Non-Financials	-1.37	Building & Construction	-3.61
Diversified Industrials	+1.19	FT-SE 100	-1.41	Property	-3.85
Oil Exploration & Prod	+0.94	Electronic & Elec Eqpt	-1.70	Engineering	-3.97
Breweries	+0.57	Utilities	-1.76	Extractive Industries	-4.04
Health Care	+0.54	FT-SE-A 350	-1.77	Building Materials	-4.45
Consumer Goods	+0.23	FT-SE-A All-Share	-1.78	Investment Trusts	-4.75
Oil, Integrated	+0.21	FT-SE SmallCap	-1.89	Electricity	-4.79
Insurance	+0.20	Gas Industrials	-1.94	Retailers, General	-4.80
Food Producers	-0.11	FT-SE-A 350 Lower Yield	-2.37	Banks, Retail	-4.91
Paper, Pckg & Printing	-0.15	Gas Distribution	-2.43	Engineering, Vehicles	-5.86
Support Services	-0.29	Services	-2.49	Spirits, Wines & Ciders	-6.88
Mineral Extraction	-0.46	FT-SE Mid 250 ex IT	-2.67	Water	-7.18
FT-SE-A Fledgling ex IT	-0.87	Textiles & Apparel	-2.76	Distributors	-8.10

FT - SE Actuaries Share Indices — The UK Series

	Jan 27	Day's chge%	Jan 26	Jan 25	Jan 24	Year ago	Div. yld%	Earn. yld%	P/E ratio	Xd adj. ytd	Total Return	1994/95 High		1994/95 Low		Since Compilation High		Since Compilation Low	
FT-SE 100	3022.2	+0.5	3007.3	2982.2	2969.0	3447.4	4.28	7.34	16.10	3.28	1155.10	3520.3	2/2/94	2876.6	24/6/94	3520.3	2/2/94	986.9	23/7/84
FT-SE Mid 250	3398.2	—	3397.2	3390.8	3395.6	4065.8	3.73	6.44	18.54	6.72	1282.80	4152.8	3/2/94	3363.4	27/6/94	4152.8	3/2/94	1379.4	21/1/86
FT-SE Mid 250 ex Inv Trusts	3411.3	—	3412.4	3407.5	3412.5	4075.4	3.87	6.95	17.29	7.04	1286.04	4160.7	19/1/94	3362.4	27/6/94	4160.7	19/1/94	1378.3	21/1/86
FT-SE-A 350	1510.0	+0.4	1504.2	1493.9	1489.2	1741.8	4.15	7.13	16.60	1.95	1181.27	1778.3	2/2/94	1451.3	24/6/94	1778.3	2/2/94	664.5	14/1/86
FT-SE-A 350 Higher Yield	1538.7	+0.3	1533.5	1519.4	1515.5	1758.0	5.19	7.82	15.89	2.74	989.65	1778.2	2/2/94	1442.4	24/6/94	1778.2	2/2/94	668.2	14/1/86
FT-SE-A 350 Lower Yield	1481.3	+0.4	1474.6	1468.0	1462.7	1681.6	3.10	6.64	17.84	1.17	977.07	1723.6	2/2/94	1422.6	24/6/94	1723.6	2/2/94	657.4	14/1/86
FT-SE SmallCap	1713.34	—	1713.89	1713.02	1714.23	2052.58	3.39	6.48	19.37	1.99	1340.73	2084.98	4/2/94	1713.02	25/1/95	2084.98	4/2/94	1363.79	31/12/92
FT-SE SmallCap ex Inv Trusts	1695.41	-0.1	1696.88	1696.67	1698.48	1997.78	3.58	7.26	17.52	2.12	1391.31	2060.72	4/2/94	1695.41	27/1/95	2060.72	4/2/94	1363.79	31/12/92
FT-SE-A ALL-SHARE	1494.34	+0.4	1489.05	1479.59	1475.48	1727.31	4.09	7.08	16.79	1.91	1188.81	1764.11	2/2/94	1445.85	24/6/94	1764.11	2/2/94	61.92	13/12/74

■ FT-SE Actuaries All-Share

	Jan 27	Day's chge%	Jan 26	Jan 25	Jan 24	Year ago	Div. yld%	Earn. yld%	P/E ratio	Xd adj. ytd	Total Return	1994/95 High		1994/95 Low		Since Compilation High		Since Compilation Low	
10 MINERAL EXTRACTION(25)	2667.06	+0.8	2646.66	2632.78	2625.38	2615.27	3.53	5.08	24.88	0.00	1076.75	2802.01	5/9/94	2439.98	31/3/94	2802.01	5/9/94	980.20	19/2/86
12 Extractive Industries(7)	3610.76	+1.2	3568.05	3526.69	3505.41	3984.03	3.36	5.39	22.94	0.00	996.36	4107.55	2/2/94	3478.97	23/1/95	4107.55	2/2/94	1006.09	31/12/85
15 Oil, Integrated(3)	2658.33	+0.6	2641.71	2630.66	2625.12	2529.62	3.68	5.65	22.04	0.00	1097.78	2782.46	5/9/94	2349.96	30/3/94	2782.46	5/9/94	982.30	20/2/86
16 Oil Exploration & Prod(15)	1894.30	+1.3	1870.32	1866.11	1860.47	1928.45	2.58	‡	‡	0.00	1098.01	2089.43	27/4/94	1764.49	31/3/94	3944.10	8/8/80	650.30	29/7/85
20 GEN INDUSTRIALS(278)	1790.84	+0.1	1789.47	1786.38	1789.47	2169.58	4.35	5.96	20.08	1.12	921.71	2232.68	2/2/94	1773.48	13/12/94	2232.68	2/2/94	986.18	14/1/86
21 Building & Construction(36)	944.82	+0.1	943.49	942.34	946.35	1475.21	4.11	6.55	19.93	0.00	746.01	1599.19	8/2/94	941.84	14/12/94	2125.60	18/7/87	636.30	9/9/92
22 Building Matls & Merchs(31)	1689.52	+0.1	1688.36	1689.55	1693.00	2350.12	4.51	8.54	18.45	0.20	804.18	2393.22	24/1/94	1689.17	23/1/95	2393.22	24/1/94	954.30	9/9/92
23 Chemicals(23)	2237.41	+0.4	2229.28	2205.38	2212.55	2434.65	4.22	4.86	25.52	0.50	999.91	2586.42	8/8/94	2198.18	13/12/94	2586.42	8/8/94	978.50	14/1/86
24 Diversified Industrials(17)	1757.55	—	1757.48	1758.28	1759.66	2144.79	5.30	8.47	17.82	1.84	910.96	2231.57	2/2/94	1690.20	15/12/94	2231.57	2/2/94	964.80	21/1/86
25 Electronic & Elect Equip(38)	1822.11	+0.3	1817.45	1822.80	1820.47	2196.61	4.17	7.07	16.83	1.48	901.08	2283.38	4/2/94	1765.58	13/12/94	2283.38	4/2/94	966.80	29/9/86
26 Engineering(72)	1721.00	-0.1	1723.43	1720.13	1723.18	1935.35	3.51	5.68	20.66	2.12	993.25	2011.17	2/2/94	1720.13	25/1/95	2011.17	2/2/94	962.80	10/11/87
27 Engineering, Vehicles(13)	2048.48	+0.8	2032.64	2031.61	2028.60	2398.06	4.88	1.89	80.00†	0.18	1002.85	2516.95	8/8/94	2018.97	23/1/95	2516.95	8/8/94	985.60	14/1/86
28 Paper, Pckg & Printing(28)	2740.16	—	2740.73	2724.63	2736.95	2934.08	3.21	5.90	19.62	0.00	1084.81	3045.61	18/3/94	2621.19	4/1/94	3045.61	18/3/94	973.30	14/1/86
29 Textiles & Apparel(21)	1469.71	-0.6	1479.10	1474.84	1484.96	1983.06	4.61	6.67	19.47	0.17	841.58	2024.96	4/2/94	1469.71	27/1/95	2325.09	2/10/87	980.90	24/9/90
30 CONSUMER GOODS(95)	2795.16	+0.5	2780.07	2743.56	2746.82	3015.10	4.32	7.26	16.00	7.20	973.91	3048.78	24/1/94	2494.94	24/6/94	3880.90	22/12/92	967.50	14/1/86
31 Breweries(18)	2210.17	+0.7	2194.34	2195.91	2180.26	2387.39	4.33	8.14	14.82	10.38	1011.82	2464.52	19/1/94	2071.07	24/6/94	2464.52	19/1/94	982.00	14/1/86
32 Spirits, Wines & Ciders(10)	2545.38	+1.3	2513.33	2490.95	2502.80	3152.78	4.48	7.49	15.45	26.30	869.10	3225.83	24/1/94	2490.95	25/1/95	3467.09	11/5/92	967.50	14/1/86
33 Food Producers(24)	2309.74	+0.8	2290.04	2262.21	2259.87	2533.10	4.24	7.63	15.56	3.92	984.37	2609.64	19/1/94	2099.28	24/6/94	2609.64	19/1/94	946.19	14/1/86
34 Household Goods(10)	2463.54	+0.8	2443.05	2412.61	2406.21	2811.54	3.61	6.71	17.94	0.45	892.63	2894.14	18/2/94	2273.87	12/12/94	2894.14	18/2/94	927.10	21/1/86
36 Health Care(18)	1576.90	+0.2	1573.62	1569.28	1562.48	1896.75	3.17	3.51	39.88	0.58	821.23	1909.13	19/1/94	1535.37	13/12/94	2047.46	28/9/87	972.60	21/1/86
37 Pharmaceuticals(13)	3345.03	+0.2	3337.69	3282.84	3309.68	3181.69	4.02	6.41	18.09	0.00	1073.04	3355.89	21/12/94	2641.70	1/6/94	4166.98	14/1/92	953.70	13/1/86
38 Tobacco(2)	3753.15	-0.2	3759.22	3660.48	3597.78	4412.66	5.73	9.71	11.25	0.00	856.12	4718.86	7/1/94	3120.74	24/6/94	4739.83	29/12/93	892.00	9/1/86
40 SERVICES(231)	1845.17	+0.3	1839.75	1831.65	1826.23	2139.16	3.40	7.32	16.51	2.45	915.71	2207.77	19/1/94	1816.80	23/1/95	2207.77	19/1/94	944.90	23/1/86
41 Distributors(32)	2291.61	+0.4	2281.87	2440.89	2444.20	3232.50	4.08	13.56	8.93	1.53	801.33	3319.33	2/2/94	2281.87	26/1/95	3319.33	2/2/94	988.50	21/1/86
42 Leisure & Hotels(29)	2053.51	—	2052.99	2036.86	2038.89	2313.87	3.51	5.86	20.40	7.03	1021.71	2360.62	17/2/94	1994.16	6/7/94	2360.62	17/2/94	975.40	21/1/86
43 Media(43)	2708.92	+0.1	2704.81	2674.27	2682.33	3231.37	2.61	5.79	20.28	1.76	943.13	3349.11	17/2/94	2626.32	23/1/95	3349.11	17/2/94	976.20	9/1/86
44 Retailers, Food(16)	1826.00	+0.6	1815.20	1779.87	1761.80	1654.25	3.80	8.73	14.05	1.85	1103.14	1914.20	19/1/94	1511.94	25/4/94	2238.20	28/1/93	917.40	21/1/86
45 Retailers, General(45)	1508.52	+0.6	1499.00	1501.16	1505.85	1795.95	3.55	7.73	18.06	1.81	820.91	1910.67	4/1/94	1485.20	12/12/94	1934.24	29/12/93	870.10	9/12/88
48 Support Services(38)	1459.08	-0.1	1459.87	1455.63	1453.35	1828.23	2.88	6.61	17.83	0.30	893.78	1866.43	2/2/94	1440.50	15/12/94	1866.43	2/2/94	939.00	1/2/91
49 Transport(21)	2180.88	+0.2	2177.04	2147.82	2142.60	2738.01	3.90	8.70	17.59	3.32	862.82	2805.98	3/2/94	2116.44	23/1/95	2805.98	3/2/94	980.00	14/1/86
51 Other Services & Business(7)	1206.24	-1.4	1223.88	1214.53	1213.41	1385.15	3.71	3.76	38.35	2.82	1048.81	1389.58	10/2/94	1130.62	21/4/94	2458.30	18/7/87	983.10	14/1/86
60 UTILITIES(37)	2374.77	+0.5	2363.67	2357.10	2345.86	2709.92	4.51	7.85	15.53	8.08	935.37	2762.33	2/2/94	2100.92	24/6/94	2762.33	2/2/94	802.50	3/10/86
62 Electricity(17)	2459.58	-0.6	2473.55	2474.88	2479.00	2577.27	3.96	10.28	11.60	17.55	1051.56	2754.74	30/8/94	2024.12	24/6/94	2754.74	30/8/94	985.30	7/1/91
64 Gas Distribution(2)	2022.13	+2.4	1975.24	1981.64	1985.21	2344.35	5.93	‡	‡	0.00	949.78	2368.77	7/1/94	1864.20	24/6/94	2378.30	16/12/93	894.90	9/12/88
66 Telecommunications(5)	2014.90	+1.0	1995.79	1977.78	1961.11	2389.46	4.06	7.42	16.47	0.00	874.47	2450.42	2/2/94	1864.68	1/6/94	2461.28	29/12/93	802.50	3/10/86
68 Water(13)	1699.30	-0.7	1701.61	1707.85	1679.88	2066.97	5.93	14.21	7.88	4.82	861.39	2126.79	3/2/94	1598.71	27/6/94	2126.79	3/2/94	924.70	1/5/90
69 NON-FINANCIALS(667)	1623.08	+0.4	1616.87	1607.75	1606.20	1833.71	4.05	6.82	17.60	2.48	1161.05	1870.36	2/2/94	1582.88	24/6/94	1870.36	2/2/94	63.49	13/12/74
70 FINANCIALS(112)	2078.91	+0.2	2075.38	2053.75	2027.34	2686.69	4.89	9.63	12.04	0.25	830.14	2737.13	4/2/94	2010.15	23/1/95	2737.13	4/2/94	972.20	23/1/86
71 Banks, Retail(9)	2713.86	+0.1	2711.87	2692.18	2627.22	3449.32	4.51	10.40	10.86	0.00	817.20	3601.55	4/2/94	2592.93	23/1/95	3601.55	4/2/94	950.80	23/1/86
72 Banks, Merchant(6)	3082.63	+1.4	3048.62	3023.85	3004.16	3698.52	3.59	9.02	12.94	0.00	839.29	3761.29	2/2/94	2562.02	4/10/94	3761.29	2/2/94	962.80	27/1/86
73 Insurance(27)	1150.47	-0.4	1155.33	1122.34	1119.11	1580.50	5.74	10.24	11.14	0.27	795.69	1593.61	24/1/94	1108.31	23/1/95	1624.20	29/12/88	870.90	25/8/92
74 Life Assurance(6)	2282.25	+1.0	2260.15	2225.44	2242.18	2838.62	5.80	8.18	14.94	0.00	883.28	2821.37	19/1/94	2180.61	1/6/94	2821.37	19/1/94	967.70	23/1/86
77 Other Financial(23)	1850.52	-0.1	1853.14	1856.30	1860.50	2203.50	4.03	7.69	15.52	1.48	1000.50	2279.35	4/2/94	1752.83	4/7/94	2279.35	4/2/94	858.30	1/10/90
79 Property(46)	1355.27	+0.3	1350.98	1340.45	1342.25	1857.21	4.44	7.87	15.91	0.42	786.82	1896.96	4/2/94	1316.79	13/12/94	2132.40	5/9/89	718.40	16/9/92
80 INVESTMENT TRUSTS(139)	2570.12	+0.5	2558.84	2544.33	2543.27	3096.19	2.43	2.08	48.13	2.31	888.13	3184.31	2/2/94	2525.30	23/1/95	3184.31	2/2/94	977.20	14/1/86
89 FT-SE-A ALL-SHARE(918)	1494.34	+0.4	1489.05	1479.59	1475.48	1727.31	4.09	7.08	16.79	1.91	1188.81	1764.11	2/2/94	1445.85	24/6/94	1764.11	2/2/94	61.92	13/12/74
FT-SE-A Fledgling	987.63	+0.1	987.10	987.66	988.90	-	2.89	-	-	1.35	988.96	1002.89	9/1/95	987.10	26/1/95	1002.89	9/1/95	987.10	26/1/95
FT-SE-A Fledgling ex Inv Trusts	991.25	—	990.90	991.91	993.32	-	3.06	-	-	1.50	992.75	1005.18	11/1/95	990.90	26/1/95	1005.18	11/1/95	990.90	26/1/95

■ Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	3006.8	3012.1	3009.2	3006.6	3007.6	3008.4	3012.6	3021.3	3021.5	3022.7	3006.4
FT-SE Mid 250	3396.8	3396.9	3395.0	3395.5	3395.8	3395.7	3397.1	3398.7	3398.2	3399.9	3394.6
FT-SE-A 350	1508.9	1508.0	1504.7	1503.8	1504.2	1504.4	1506.2	1509.7	1509.7	1510.3	1503.7

Time of FT-SE 100 High: 3.43pm Low: 11.01am

■ FT-SE Actuaries 350 Industry baskets

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Bldg & Cnstrcn	886.8	888.8	888.4	887.8	888.7	888.4	889.8	889.8	888.8	888.2	885.5	+2.7
Pharmaceuticals	3311.1	3312.9	3314.0	3308.0	3308.1	3303.7	3306.7	3316.2	3317.7	3316.5	3308.9	+7.6
Water	1686.5	1686.6	1685.8	1685.7	1685.7	1683.7	1683.4	1683.2	1683.7	1683.5	1696.1	-12.6
Banks, Retail	2741.1	2745.8	2731.1	2720.9	2725.0	2735.0	2737.4	2747.1	2747.9	2748.3	2746.5	+1.8

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
FT-SE Total Return Indices	31/12/92	1000.00	FT-SE-A 350	31/12/85	682.94	Water	29/12/89	1000.00	FT-SE-A Sectors' Total Ret	31/12/93	1000.00
FT-SE SmallCap & ex I.T.s	31/12/92	1363.79	FT-SE-A 350 Higher Yield	31/12/85	682.94	Non-Financials	10/4/62	100.00	Oil Exp & Prod Total Rets	31/12/93	1047.33
FT-SE Mid 250 & ex I.T.s	31/12/85	1412.60	FT-SE-A 350 Lower Yield	31/12/85	682.94	FT-SE-A All-Share	10/4/62	100.00	FT-SE-A Fledgling	30/12/94	1000.00
FT-SE 100	31/12/83	1000.00	Electricity	31/12/90	1000.00	All Other	10/4/62	100.00	FT-SE-A Fledgling ex Inv Trusts	30/12/94	1000.00

The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 Indices are compiled by the London Stock Exchange and the FT-SE SmallCap and FT-SE-A All-Share Indices are compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules. © The International Stock Exchange of the United Kingdom and Republic of Ireland Limited 1995. © The Financial Times Limited 1995. All rights reserved. "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited. Auditors: The WM Company. † Sector P/E ratios greater than 80 are not shown. ‡ Values are negative. RECLASSIFICATION: [illegible]. DELETION: Porth Group (Fledgling).

Kingfisher back in favour

Bedevilled stores group Kingfisher rebounded 19 to 408p with 19m shares traded – the highest ever recorded in the stock – as the Woolworths parent announced a radical management shake-out.

The market was not prepared to believe that the troubles in store had been removed. But many analysts were wondering how soon it would be before the company was in play.

Break-up valuations were immediately being drawn up with a range of 550p to 600p a share being discussed – not unreasonable considering that the stock stood above 770p at the beginning of last year.

Buying was also encouraged by speculation over the identity of the new finance director who will replace Mr James Kerr-Muir.

There was some talk that Mr Archie Norman, the respected head of Asda, might be tempted to return to Kingfisher. However, that was quickly rubbished and Asda shares remained firm at 69¼p. Also, some traders put two and two together and argued that Mr Russell Walls, the new finance director at Wellcome, might soon be looking for a new job following the Glaxo bid approach.

Lasmo active

Shares in oil exploration company Lasmo ran ahead strongly, closing 6 higher at 147p – their best level since November 22 – amid rumblings that the company might soon attract the attentions of a predator. Turnover in Lasmo reached a higher than usual 4.9m shares, boosted, dealers said, by a badly handled buying order.

Last year Lasmo fought off the unwanted attentions of rival UK oil group Enterprise after a bitter and long-drawn out takeover battle.

Stories circulating in the market yesterday suggested that possible merger activity involving US oil exploration group Maxus, said to be the target of Canada's Home Oil and US group Amoco, could possibly spill over into the UK, where Lasmo would be a potential target.

Another story in the market was that Enterprise was about to embark on a series of small acquisitions. Enterprise shares edged up 2 to 402p.

The oil majors attracted keen interest, with dealers citing continuing worries about potential conflict on the Saudi-Yemen border as triggering much of the interest in the sector. BP edging up 1¼ to 413p and Shell, helped by better-than-expected figures on Thursday from Shell Oil, improving 6 to 719p.

BICC rally

Recent market speculation that BICC chairman Sir Rob Biggam was about to leave the group was firmly rejected by the company yesterday.

The rumours had triggered several bouts of heavy selling pressure in BICC shares on Thursday and early yesterday, driving the stock price down from 315p to a low point of 287p.

The BICC denial, however, helped the shares rally strongly to end the session unaltered at 303p. Turnover was a hefty 2.9m shares.

The prospect of Wellcome retaining its independence receded further yesterday and the risk factor included in the share price faded further as the shares rose 12 to 998p. Wellcome Trust, the charity which has 40 per cent of the company, stuck to its earlier decision to approve the mooted Glaxo takeover despite moves by the company's board to reject the offer and find a 'white knight' or preferred counter bidder.

The shares were also helped by UK approval for Valtrex, the follow-up to Wellcome's anti-herpes drug Zovirax, and a statement that it would be sold at a premium price.

Some dealers noted switching from Wellcome into Yorkshire Electricity which has been cited as the next bid target in the market. Yorkshire shares, restrained by regulatory worries fell 6 to 788p.

Brewing stocks came in for criticism as merchant bank Kleinwort Benson turned more cautious on the sector in the wake of the anticipated break up and sale of the Courage Brewery.

The house turned neutral and focused on Bass in the belief that the dispersal of the Courage brands could precipitate a mini price war. Bass shares, caught within a narrow range since early December, ended the day 6 higher at 523p. However some dealers noted switching into Guinness, which gained 9 to 421p.

The intense takeover speculation that has encompassed the merchant banking sector in recent weeks flared up again at the outset of trading when Kleinwort Benson shares surged ahead in response to buying prompted by an article in a German financial newsletter.

The newsletter, normally well-informed according to dealers, said Dresdner Bank was about to bid 800p a share for Kleinwort. The Dresdner Bank bid stories have been circulating in London for some weeks and have also associated the German bank with SG Warburg. Dresdner repeated a denial, originally issued earlier this week, that it was not involved in talks with any UK bank, while Kleinwort Benson also issued a statement, saying it was not engaged in merger talks with any party.

Kleinwort shares, which raced up to 653p at one point, came back to end the session a net 19 higher at 620p on turnover of 1.1m. SG Warburg moved up 11 more to 758p on 1.2m traded. Mercury Asset Management rose 6 to 799p.

In the mainstream banks Standard Chartered dipped 9 to 253p, unsettled by the recent turbulence in far eastern markets and fears that the Sumitomo Bank profits warning may impact on Tokyo and Hong Kong markets on Monday.

British Airways respond well to figures from USAir, in which it has a 22 per cent stake. The US group may have reported increased losses but they were far better than the market had expected. Also, there were reports that it is close to carving out a deal with the unions that would enable it to cuts costs by $2.5bn over five years.

Conglomerate Hanson received US support after Goldman Sachs stressed its enthusiasm for the stock in New York. Analyst Mr Jack L. Kelly believes there will be good news at the company's agm on February 1. He forecast stunning figures and a 7 per cent dividend increase. The shares closed at 232½p.

NEW HIGHS AND LOWS FOR 1994/95

NEW HIGHS (18).

GILTS (1) BUILDING & CNSTRN (1) Havelock Europa, **DISTRIBUTORS (1)** Faber Prest, **ELECTRNC & ELECT EQUP (1)** Kershaw (A), **FOOD PRODUCERS (3)** Greencore, Robert Wiseman, Rowe Evans Inv., **HEALTH CARE (1)** Smith & Nephew, **INVESTMENT TRUSTS (2) LEISURE & HOTELS (1)** St James Beach Hotel, **PAPER, PACKG & PRNTG (1)** Adare Printing, **PHARMACEUTICALS (1)** Wellcome, **RETAILERS, FOOD (1)** Tesco, **RETAILERS, GENERAL (1)** JJB Sports, **SUPPORT SERVS (1)** Servisair, **TEXTILES & APPAREL (1)** Wensum, **TRANSPORT (1)** GRT Bus.

NEW LOWS (93).

GILTS (2) BANKS, RETAIL (3) Sakura, Sumitomo, Yasuda Tst. & Bk., **BUILDING & CNSTRN (5)** AMEC, Allen, Persimmon, Walnhomes, Wimpey (G), **BLDG MATLS & MCHTS (7)** Caradon 7¼p Prf., Dyson (J&J) A, Meyer Intl., Norcros, Pilkington Wrts., Spring Ram, Wickes, **DISTRIBUTORS (2)** Evans Halshaw, Henlys, **DIVERSIFIED INDLS (4)** Amer A, Barlo, Trafalgar House, Do 6p Prf., **ELECTRNC & ELECT EQUP (5)** BICC, Roxboro, Sony, **ENGINEERING (2)** Meggitt, Senior, **EXTRACTIVE INDS (8)** Equatorial, Gencor, Gold Mines Australia, Pacific Arc, Randfontein, St. Helena, Vaal Reefs, Western Deep, **FOOD PRODUCERS (1)** Usborne, **HEALTH CARE (1)** Scholl, **HOUSEHOLD GOODS (3)** Creighton Naturally, Portmeirion Potteries, Silentnight, **INSURANCE (2)** Premium Trust, Sturge, **INVESTMENT TRUSTS (11) INVESTMENT COMPANIES (1) LEISURE & HOTELS (1)** Prem, **LIFE ASSURANCE (1)** Transatlantic, **MEDIA (4)** Independent, Quarto 8¾p Prf., Sterling Publishing, WMGO, **OIL EXPLORATION & PROD (3)** Command, Pittencrieff, Victoria, **OTHER FINANCIAL (3)** Franklin, Govett, HSBC China, **PHARMACEUTICALS (1)** Utd. Energy Wrts., **PROPERTY (10)** Carlisle, Chesterton Intl., Derwent Valley, Hemingway, Olives, Rowlinson, Southend, Warner, Whity, Mackay-Lewis, Wood (JD), **RETAILERS, FOOD (1)** Thorntons, **RETAILERS, GENERAL (7)** Body Shop Intl., Essex Furniture, Fine Art Devs., Kingfisher, Owen & Robinson, OS, Rosebys, **SUPPORT SERVS (2)** Capita, RCO, **TRANSPORT (2)** Norish, Tibbett & Britten, **AMERICANS (2)** Dun & Bradstreet, Ford Motor, **CANADIANS (1)** Hawker Siddeley Canada.

■ CHIEF PRICE CHANGES YESTERDAY

London (Pence)

Rises			
Arcon Int	45	+	6
British Land	378	+	11
Calor Group	274	+	9
Everest Foods	95	+	5
Guinness	421	+	9
Inchcape	317½	+	6½
Kingfisher	408	+	19
Kleinwort Benson	620	+	19
Kwik Save	567	+	12
Lasmo	147	+	6
Lucas Inds	189	+	5
Navan Res	144	+	8
Schroders	1465	+	25
Ulster TV	664	+	29
Falls			
Body Shop Int	177	-	5
Govett	325	-	16
Johnson Matthey	510	-	16
London Elect	702	-	14
Photo-Me Int	212	-	16
Proteus Int	187	-	14
RCO Hldgs	283	-	10
Standard Chartered	253	-	9
Whinney Mackay-L	27	-	4
Wood (JD)	46	-	8

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

½ hour period ending	Provisional Price for Trading on 28.01.95 Pool purchase price £/MWh	Final Prices for Trading on 31.12.94 Pool purchase price £/MWh	Pool selling price £/MWh
0030	9.05	9.09	9.09
0100	17.73	39.69	42.00
0130	9.02	47.00	49.11
0200	9.02	47.00	49.11
0230	9.02	20.82	22.94
0300	9.02	20.82	22.94
0330	9.02	20.82	22.94
0400	9.02	10.13	12.24
0430	9.02	9.09	9.09
0500	9.05	8.70	8.70
0530	9.01	10.21	12.32
0600	9.01	9.09	9.09
0630	9.01	9.79	11.91
0700	9.01	9.79	11.91
0730	9.00	9.02	11.13
0800	9.00	9.02	11.13
0830	9.00	9.09	9.09
0900	9.00	20.09	22.20
0930	8.54	19.96	22.07
1000	9.47	20.09	22.20
1030	11.97	20.09	22.20
1100	11.97	20.09	22.20
1130	11.97	20.09	22.20
1200	9.47	20.09	22.20
1230	17.54	20.09	22.20
1300	17.54	20.09	22.20
1330	16.40	20.09	22.20
1400	9.07	20.09	22.20
1430	9.00	20.09	22.20
1500	8.80	20.09	22.20
1530	8.80	20.09	22.20
1600	9.00	20.09	22.20
1630	9.06	39.92	42.04
1700	10.50	42.88	45.01
1730	19.03	48.30	50.47
1800	20.23	48.32	50.49
1830	19.26	44.00	46.14
1900	16.24	40.49	42.62
1930	14.56	37.73	39.85
2000	14.02	28.33	30.45
2030	17.73	31.56	33.68
2100	17.54	28.33	30.45
2130	9.06	10.05	12.17
2200	9.00	9.09	9.09
2230	8.80	9.01	9.01
2300	8.70	8.30	8.30
2330	8.65	8.30	8.30
2400	8.20	9.08	9.08

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £10.80/MWh becomes 1.080p/kWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process [illegible]

LONDON SHARE SERVICE

BANKS, MERCHANT

	Notes	Price	+ or –	1994/95 high	low	Mkt Cap£m	Yld Gr's	P/E
Barings 8pc Cm 2nd Pf		97	—	117	88¾	12.1	10.3	–
9¾pc Non-Cum Pf		117½	+¼	137½	107	47.0	10.4	–
Cater Allen	♣†N☐	443	+2	*530	440	144.4	8.0	9.1
Close Bros	♣N	223	—	*285½	203	212.3	4.2	10.1
Gerrard & Nat	♣†N☐	474	–1	515	395	230.8	8.3	13.7
Hambros	♣N☐	242	–1	473	209	427.1	7.7	14.9
7½pc Cv Pf		111	—	161	99½	143.0	8.4	–
Joseph (L)	♣†N	393	—	443	393	20.8	5.6	11.4
King & Shaxson	♣N	97	—	170	98	16.9	11.6	9.6
Kleinwort Benson	♣†N☐	620	+19	683	424	827.1	3.9	10.9
Rea Bros	♣†N☐	66	—	79	53	27.4	1.8	18.5
Schroders	♣†N☐	1465	+25	1574	1050	1,485	1.6	13.4
NV	†N	1315	+17	1458	1043	361.4	1.8	12.0
Singer & Fried	♣†N☐	85	—	114	75	165.1	4.6	10.9
Union	♣†N☐	89	—	*199	87	23.7	8.3	8.2
Warburg (SG)	♣N☐	758	+11	1012	569	1,667	3.6	13.9
Wintrust	♣N	215	—	380	203	18.3	6.0	14.4

BANKS, RETAIL

	Notes	Price	+ or –	1994/95 high	low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl	☐	£22¼	+⅛	£26⅝	£19⅛	6,680	5.1	ϕ
ANZ A$		198	—	278¼	171	2,880	6.0	ϕ
Abbey National	†N☐	429	+3	523	380½	5,628	4.5	14.4
Allied Irish I£	♣†N☐	258	–3	314	233	1,719	4.9	9.9
Anglo Irish I£	N☐	50	—	*70	50	172.1	8.8	10.1
Asahi Y	☐	633¼	–17¼	819¼	628	14,717	0.7	ϕ
Banco Bil Viz Pta	☐	£15⅝	–⅜	£17	£14⅛	3,555	5.3	7.0
Banco Sant Pta		224	—	*238½	223¼	3,827	6.0	8.4
Bk Ireland I£	†N☐	303	–2	*319	246	1,440	4.8	8.8
Bank Scotland	♣†N☐	210	–1	247	172½	2,459	3.2	11.8
9¼pc Pf		118	+1	141½	106	118.0	9.8	–
9¾pc Pf		124	+1	148½	111¼	124.0	9.8	–
Barclays	♣†N☐	582	–2	640	487	9,515	3.6	14.2
Dai Ichi Kan Y	☐	£10⅞	–⅞	£12⅞	£9⅞	31,745	0.5	–
Deutsche DM	☐	£291⅞	+2⅝	£344¼	£270⅞	13,806	2.4	–
Espirito Santo	☐	£7⅞	—	*£13⅞	£7⅛	161.2	5.0	3.8
Fuji Bank Y	☐	1207½	—	1549¼	1152½	34,984	0.4	ϕ
HSBC HK	†N☐	619	+5	1133	578	10,857	4.9	9.0
HSBC (75p Shs)	†N☐	631	+6	1113	589	5,378	4.9	9.1
Irish Permanent	♣N☐	240	—	245	205	182.7	5.0	8.4
Lloyds	†N☐	551	–3	680	519	7,146	5.2	10.8
Mitsubishi Y	☐	£13⅛	+⅜	£18⅛	£13⅛	38,527	0.4	ϕ
Mits Tst & Bk Y	☐	789¼	+3¼	1162¼	687½	9,570	0.6	12.7
Mitsui Tst & Bk Y	☐	562	+9¼	879	512	6,733	1.0	19.0
Nat Aust A$		505	—	620¼	472	6,788	7.0	ϕ
NatWest	†N☐	491	–2	622	421	8,426	4.9	9.6
Ottomane FFr		£21½	—	£33	£21	107.5	6.8	ϕ
Ryl Bk Scotland	♣N☐	394xd	+4	528	373½	3,156	4.4	11.3
Sakura Y	☐	£7½	–⅛	£9⅞	£7½	24,899	0.7	46.5
Sanwa Y	☐	£11⅛	+¼	£15⅛	£10⅛	32,002	0.5	–
Standard Chartd	†N☐	253	–9	*359¼	223	2,441	3.1	8.7
7 3/8pc Prf		85½	+1	108½	82¼	96.6	9.7	–
Sumitomo Y	☐	£10⅞	+⅛	£16⅛	£10⅛	32,848	0.5	–
Sumitomo Tst Y	☐	713	+2	1146½	625	8,872	0.8	ϕ
TSB	N☐	243	+1	291	197	3,720	4.7	ϕ
Tokai Y	☐	£6⅞	–⅞	£9	£6⅞	13,775	0.8	42.5
Toyo Tst & Bk Y	☐	689½	–11	852	578¼	4,633	0.8	52.2
Westpac A$		215½	–¾	280	194	3,923	2.5	ϕ
Yasuda Tst Bk Y	☐	427¾	–5¾	658	427¾	4,720	1.1	37.9

BREWERIES

	Notes	Price	+ or –	1994/95 high	low	Mkt Cap£m	Yld Gr's	P/E
Ascot Hldgs	☐	154	—	*1025	150	42.6	–	–
Bass	N☐	523xd	+6	619	485	4,585	5.0	12.9
Boddington	†N☐	248	–2	289	248	300.8	4.2	13.3
Burtonwood	†N	173xd	—	196	168	38.0	3.7	14.5
Eldridge Pope A	♣N	158xd	—	181	142	32.7	3.2	ϕ
Fosters A$		54	—	66	46¼	1,738	5.3	ϕ
Fuller STA	♣†N	352	–1	493	342	71.8	2.8	14.6
Gibbs Mew	♣†N	423	—	*458	348½	58.8	2.7	16.6
Greenalls	♣N☐	427xd	+2	511	399	892.9	3.8	21.2
Greene King	†N☐	522xd	–1	584	452	221.3	3.1	14.2
Grosvenor Inns	♣†N	166	—	*166	124	22.1	3.8	24.1
Holt (J)	†N	3420	—	3773	3125	106.0	1.8	18.8
Kirin Y	☐	697	+11¼	824¼	640½	7,271	0.9	26.0

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

BUILDING MATS. & MERCHANTS - Cont.

	Notes	Price	+ or –	1994/95 high	low	Mkt Cap£m	Yld Gr's	P/E
Spring Ram	♣N☐	36½	–½	*81½	36½	165.4	1.7	–
Sycamore	☐	21	—	*425	16	0.71	–	–
Tarmac	N☐	114	+1½	206	107	1,050	6.0	–
Titon	♣N	167xd	—	220	157	17.1	3.6	ϕ
Travis Perkins	†N☐	280	—	370	274	287.6	3.7	17.3
Tudor	♣N	25	—	28	21	2.73	1.2	–
Unigroup	☐	36	—	54	33	11.3	–	–
Universal Ceramic	N☐	86	—	105	86	21.1	4.8	13.4
Waterhouse	♣	43	—	63	33	1.07	–	–
Wickes	†N☐	86	–1	129	85	319.7	1.9	19.3
Wolseley	♣N☐	758xd	+8	875	705	2,067	2.8	14.9

CHEMICALS

	Notes	Price	+ or –	1994/95 high	low	Mkt Cap£m	Yld Gr's	P/E
ABA SKr	☐	[illegible]	—	[illegible]	[illegible]	885.8	13.7	3.0
Akzo Fl	☐	£73½	+⅜	£82⅜	£62⅝	3,384	3.3	19.1
Allied Colloids	†N☐	119xd	—	*158½	115	628.6	2.5	16.8
Amber Ind	†N	780	—	780	705	30.6	3.4	15.5
BASF DM	☐	£131⅞	–2⅛	£140⅛	£106⅛	7,673	3.6	–
BOC	♣N☐	717xd	—	767	627	3,427	4.3	26.5
BTP	♣†N☐	294xd	—	*373	281	399.0	4.4	16.6
Bayer DM	☐	£143¾	–1⅜	£160⅞	£129⅞	8,642	3.2	–
Brent	N☐	107	—	131	98	72.3	4.7	–
British Vita	†N☐	224	–1	309	219	487.9	4.2	16.7
Cambridge Iso S	♣	32	—	46	18	4.18	–	–
Canning (W)	♣N☐	186	+1	199	153	52.6	4.9	31.6

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

	Notes	Price	+ or –	1994/95 high	low	Mkt Cap£m	Yld Gr's	P/E
Domino Print	♣N☐	542	–1	585	400	143.6	2.2	ϕ
Dowding & M	N☐	78	—	78	63	103.8	4.6	25.5
Druck	†N	1495xd	—	1635	1230	95.7	0.9	25.4
Eidos	♣	338	–5	*460	180¼	8.91	–	–
Electrolux B SKr	☐	£31⅜	+⅛	£37⅜	£23	2,285	1.7	54.8
Emess	♣N☐	26¼	—	38½	21	27.9	0.5	–
Ericsson (LM) SKr		£35⅜	+⅛	£40⅛	£27⅜	7,111	1.1	31.4
Eurocopy	♣N☐	70	—	86	56	33.9	3.6	ϕ
Eurotherm	♣N☐	377xd	+6	*451	343	336.3	1.8	19.4
Fairey	♣†N☐	383	–1	*410	334½	307.5	2.0	30.3
Feedback	♣N	61xd	—	76	61	6.18	3.1	–
Filtronic Comtek	♣N☐	189	—	206	108	70.9	0.6	56.9
Forward	♣†N	219	—	283	180	18.0	3.1	13.5
Forward Tech	♣†N☐	40½	—	58	14½	13.8	2.3	8.4
Fujitsu Y	N☐	554¼	+5¼	751	358½	10,075	1.1	–
GEC	†N☐	274xd	+1	369½	259	7,513	5.0	13.5
For GN Gt Nordic see SECTION: Telecommunications								
Gestetner	♣†N☐	106	—	191	102	207.5	2.9	–
Graseby	†N☐	137	—	191	119	88.4	5.5	12.9
Hewlett-Packd $		£53⅞	–⅞	£67⅛	£47	16,254	1.2	–
Intl Cntrl Servs	♣N☐	137	—	193	121	54.7	4.6	11.5
Johnson El HK$	♥	145½	—	167	141	334.3	1.4	33.8
Kenwood	♣†N☐	282xd	—	*385	282	129.4	4.1	13.9
Kershaw (A)	N☐	1305	+5	1305	730	453.7	3.3	ϕ
Kode Intl	♣N	52	—	165	38	4.89	9.6	–
LPA Inds	♣N	40	—	55	40	3.60	5.7	27.9
Linx Prntg Techs	N	82	—	90	58	12.0	1.5	47.8
MTL Instr	♣†N	299	—	320	250	59.8	1.8	18.0
Magnum Power	♣☐	132	+2	146	35	55.2	–	–
Menvier-Swain	♣†N☐	273	—	281	210	134.3	2.1	19.0
Microvitec	♣☐	35	+½	45	31	25.8	–	17.5
Mitsub Elect Y	♣	393¼	–7¼	473	320	8,448	1.6	69.0
Motorola $		£37⅛	–½	*£40	£28⅛	21,011	0.5	–
NEC Y		605¼	+3	843	510	9,325	1.0	ϕ
Nokia Pf FM	☐	£96¼	–1⅛	£103⅛	[illegible]	3,279	1.9	11.7
For Orbis see SECTION: Support Services								
Pacer Syst $	♣	87	—	91	60	3.15	6.5	24.2
Peak	N☐	78	—	98	74½	93.2	5.4	19.8
Philips Fl		£20⅛	–⅜	£21¼	£14	6,745	0.9	9.0

ENGINEERING

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

	Notes	Price	+ or –	1994/95 high	low	Mkt Cap£m	Yld Gr's	P/E
AFMGN R	♥Z	5	—	6	2	1.20	2.0	–
Andaman Res €	♣☐	13	—	34	13	1.73	–	–
Anglesey		7½	—	8½	5	2.84	–	–
Ang Am Coal R	†	[illegible]	—	[illegible]	£17¾	1,007	2.4	21.3
Anglo Amer R	†	£30	+⅛	£37⅛	£25⅛	6,967	2.4	27.5
Ang Am Gold R	†	£53⅛	–⅛	£73⅛	£45⅛	1,293	5.1	14.1
Anglo Pac Res	♣N☐	24½	—	38	24½	19.0	–	–
Anglovaal R		£18½	—	£19⅛	£13⅝	645.9	1.2	28.2
Aquarius Explrn A$		3¼	—	6	2¼	1.94	–	–
Ashanti	♣	£13⅛	—	£19⅛	£11⅛	1,109	1.2	ϕ
Ayer Hitam M$	♥	71	—	182	66	6.50	6.5	–
Bakyrchik Gold		180	+1	404	179	45.4	–	–
Beatrix R	†	337¾	—	481	294½	317.4	5.8	17.3
[illegible] Mining 10p	♣N	32	—	38	32	3.36	2.7	27.6
Blyvoor R		91	–1¼	184	83¼	21.8	–	–
Boulder Group A$		21	—	27	10	12.8	–	–
Bracken R		17½	—	37	12¾	2.46	5.0	–
Buffels R		369	+15¼	896	353¼	40.8	14.7	ϕ
Burmine A$		119¼	–¾	169½	101	44.7	–	–
Butte		4	–½	6	2½	9.58	–	–
CRA A$	♥	830	—	965	745½	4,947	2.6	25.7
Caledonia Min C$	♥	449½	–¼	597	38	122.0	–	–
Carne Pacific	♥	20½	—	52½	14¼	8.29	–	–
Charters Towers		40¾	+2¼	47	7½	21.8	–	–
Cluff Res	N	47	—	59½	36	34.2	–	–
Coal Invs		84	—	*143	28¼	80.6	–	–
Warrants		33	+1	80	15	–	–	–
Cons Murch R		219	—	300	65	13.7	2.8	ϕ
Cresent A$	♥	15½	–½	22	13¼	14.9	4.5	6.5
De Beers Lkd Uts R	†	£13⅞	+⅛	£17½	£13⅛	4,156	3.8	14.4
40pc Pf		365	—	387½	312½	2.92	11.4	–
Delta Gold A$	♥	130	–2	227	115	221.8	–	–
Deelkraal R		78½xd	+4½	148	74¼	78.2	4.5	6.9
Dever A$		27¾	–½	35	25½	35.4	–	–
[illegible] A$	♥♦	15¼	–½	28¾	13¼	66.5	–	6.4
Doornfontein R		51	–4½	101¼	30½	20.4	–	–
Dragon Mining A$	♥	5¼	–½	13¼	4¼	2.87	–	–
Driefontein R	†	773½xd	—	1036½	665¼	1,577	6.0	10.5
Durban Deep R		612½	—	941½	527¼	14.2	–	–

FOOD PRODUCERS

GAS DISTRIBUTION

HEALTH CARE

HEALTH CARE - Cont.

	Notes	Price	+ or –	1994/95 high	low	Mkt Cap£m	Yld Gr's	P/E
Intercare	♣N☐	48xd	—	195	39	13.1	9.5	ϕ
Isotron	♣N	270	—	325	270	33.8	2.2	15.9
Kynoch	♣	18	—	38	17	3.74	–	5.5
Life Sciences	†N☐	135	—	171	107	234.1	3.6	13.4
London Intl	N☐	85	—	*182¼	74	287.7	–	–
ML Labs	♣☐	146	—	274	136	209.5	–	–
Nestor-BNA	♣N☐	46	—	80	42	34.4	8.6	11.4
Polartechnics		57½	+1¼	152	55¼	–	–	–
Premier Health	☐	1½	—	3	1¼	4.38	–	–
Quality Care Homes	N	250xd	—	330	227	35.0	2.2	ϕ
Scholl	♣N☐	179	–1½	219	119	80.2	6.7	11.4
Seton Health	♣†N☐	341xd	—	*383	275¼	141.2	2.5	17.4
Shield Diagnostics	♣☐	55	—	83	44	10.2	–	–
Smith & Neph	†N☐	180½	+¼	180½	136½	1,749	3.8	17.8
Specialeyes	♣☐	8	—	27	6	1.25	–	–
Takare	☐	203	—	232	192	254.4	1.3	17.7
Tamaris	N☐	2¼	—	*3	1¼	6.95	–	–
Tepnel Life Scies	♣N	49	—	186	48	11.8	–	–
UniChem	♣†N☐	283	—	*313	245	434.8	3.4	13.6
United Drug I£	N	[illegible]	—	*215	187	30.8	5.2	ϕ
Westminster H'care	N☐	342	+1	400	294	174.4	1.6	19.4

HOUSEHOLD GOODS

	Notes	Price	+ or –	1994/95 high	low	Mkt Cap£m	Yld Gr's	P/E
Airsprung	N	203xd	—	312	201	48.5	3.0	13.1
BLP	♣N	130	—	193	115	8.85	1.0	35.7
Bilston B'sea	♣	35	—	*39	25	2.84	–	–
Black (P)	♣†N☐	240	–1	298	225	132.5	2.4	13.9
Churchill China	♣N☐	288	—	298	280	30.6	4.3	13.2
Colefax & F	†N☐	66	–1	82	58	18.7	2.9	30.2
Cornwell P'ker A	♣N	93	–6	167	91	37.8	7.7	20.8
Creighton Nat	N	164xd	—	205	163	7.84	6.9	11.5
Delancey	♣☐	7½	—	*11½	3	8.03	–	35.5
Denby	♣N☐	142xd	—	166	133	47.4	2.7	ϕ
Eclipse Blinds	N☐	12	—	13½	4½	18.8	–	–
Elbief	N	24	+2	25	14	3.05	–	–

INSURANCE

INVESTMENT TRUSTS

Approved by the Inland Revenue

INVESTMENT TRUSTS - Cont.

LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL

	Notes	Price	+ or –	1994/95 high	low	Yld Gr's	NAV	Dis or Pm(-)
Approved by the Inland Revenue								
Aberforth Split Inc	N	90	—	97	84	12.1	–	–
Cap		186	—	225	180	–	263.3	35.3
Units	N	232	—	330	251	4.2	263.3	4.3
Abtrust Prf Inc	♣N☐	98xd	+1	148	98	15.2	89.7	-9.4
Zero Div Pf		167	—	167½	155½	–	–	–
Archimedes Inc	N	230xd	-3	270	220	14.4	–	–
Cap		400	—	432	355	–	617.4	35.2
City of Oxford	♣N☐	33	—	48	33	18.9	28.3	-14.2
Warrants		6	—	18	6	–	–	–
Zero Div Pf		97½	—	104¼	95½	–	–	–
Conton-Cycl Inc	♣N	63	—	80	62	19.5	–	–
Cap	☐	20	—	28½	18½	–	41.8	51.9
Zero Div Pf		85	+½	87½	80	–	–	–
Dunne Inc	♣N	76xd	—	95	76	13.1	–	–
Cap		34	—	48	34	–	62.4	45.5
Derby Inc	♣N	155	+1	173	147	13.6	–	–
Cap		293	—	328	288	–	438.3	33.2
Drayton Blue Chip	♣N☐	58	—	100	58	18.1	54.9	-5.3
Zero Pf		161½	—	161½	154	–	–	–
Drayton Rec	♣N☐	98xd	—	144	96	18.1	94.2	-4.8
Ptd Growth		148½	-½	148½	141	–	–	–
Edinburgh Income	♣N☐	43	—	61	45	10.5	36.4	-22.6
Zero Div Pf		88½	—	91¼	85½	–	–	–
Exmoor Dual	♣N☐	25	—	44	24	8.8	36.3	31.1
Inc	N	64xd	—	98	64	17.7	–	–
Zero Cpn Pf		243	—	282	241	–	–	–
Finsbury Smllr Co's	♣N	156xd	—	189	159	2.7	182.5	2.2
Zero Pf		188½	—	190	177	–	–	–
Fing Geared Inc	♣N	178xd	—	291	189	1.5	245.3	30.7
Warrants		119	—	220	115	–	–	–
Cm Pkg Pf		156	—	198	154	9.9	–	–
Fleming I & C Inc	♣N☐	71¼xd	+½	101½	69½	8.8	76.6	7.0
Units	N☐	117½xd	—	150	116	6.2	116.9	-.5
Zero Div Pf		49¾	—	48	41¼	–	–	–
Fleming Int High	♣N☐	30½xd	—	62½	33½	13.3	32.2	-3.9
Zero Div Pf		102½	—	102½	96¾	–	–	–
Fix & Col SUIT Sp Inc	♣N☐	61½	—	78	61	7.8	–	–
Capital	☐	55	—	80	41	–	69.9	13.3
Units	N☐	118	—	138	105½	4.0	127.4	7.4
Friends Prov Ethical	♣N☐	68	—	102	68	6.5	52.1	-23.4
Units	☐	158	—	208	158	–	162.7	2.9
Zero Div Pf		95	-½	104½	92½	–	–	–
Fulcrum Inc	♣N	45	—	54	45	24.1	–	–
Cap	☐	22½	—	28½	21½	–	43.0	47.7
Zero Div Pf		144½	—	144½	134½	–	–	–
Gartmore Amer	♣N☐	31	—	50	28	16.7	33.1	6.3
Zero Pf		98¾	—	98¾	92¾	–	–	–
Gartmore Brit Inc		81xd	+1	108	87	10.0	70.6	-22.4

INVESTMENT COMPANIES - Cont.

LEISURE & HOTELS

LIFE ASSURANCE

MEDIA

OTHER INVESTMENT TRUSTS

INVESTMENT COMPANIES

OIL EXPLORATION & PRODUCTION

OIL EXPLORATION & PRODUCTION - Cont.

OIL, INTEGRATED

OTHER FINANCIAL

OTHER SERVICES & BUSINESSES

PAPER, PACKAGING & PRINTING

PHARMACEUTICALS

PROPERTY

RETAILERS, FOOD

RETAILERS, GENERAL

RETAILERS, GENERAL - Cont.

SPIRITS, WINES & CIDERS

SUPPORT SERVICES

TELECOMMUNICATIONS

TEXTILES & APPAREL

TOBACCO

TRANSPORT

TRANSPORT - Cont.

WATER

AMERICANS

CANADIANS

SOUTH AFRICANS

	Notes	Price	+ or –	1994/95 high	low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind		£33	—	£34	£19½	2,022	2.4	22.7
Barlow	♣	£4½	—	£5¼	£3½	911.1	2.2	18.4
Gold Flds Prop R		141xd	—	182	75	14.4	7.6	◆
MK Props		87½	—	98	85	3.52	13.6	–
SASOL	♥	445	—	562	380	2,572	3.1	–
SA Brews	†	£13½	—	£16½	£10	3,799	2.1	21.5
Tiger Oats		750	—	838	538	1,128	2.0	17.8
Tongaat-Hulett	†b	701	—	*725	356¼	636.9	2.0	20.6

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by Extel Financial, a member of the Financial Times Group.

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ☐ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.
- * Highs and lows marked thus have been adjusted to allow for capital changes
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ◆ Figures or report awaited
- ♥ Rule 2.1(a)(iv) Overseas incorporated companies listed on an approved exchange.
- ♣ Free annual/interim report available, see details below.
- ♧ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Rule 4.2(a) Irish incorporated non-listed companies.
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield, p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
p Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v Not subject to ACT.
z Dividend yield includes a special payment
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1995.
K Yield based on prospectus or other official estimates for 1994
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1995-96.
N Figures based on IIMR 'Headline Earnings'
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualise yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xf ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1275 a year for each security shown, subject to the Editor's discretion

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FINANCIAL TIMES
Weekend January 28/January 29 1995

Chairman demoted in bid to boost fortunes

Top executives ousted in Kingfisher shake-up

By Roderick Oram, Consumer Industries Editor

Kingfisher, the UK retail group, has ousted its chief executive and finance director in an attempt to cure the management paralysis which has exacerbated deep problems at its Woolworths and Comet retail chains.

The shake-up comes just 10 days after the company announced a steep fall in profits at both chains and a sharp drop in sales at Comet.

The board backed Sir Geoffrey Mulcahy, the executive chairman, but demoted him to chief executive and is now seeking a non-executive chairman.

Sir Geoffrey was closely identified with Kingfisher's spectacular performance in the 1980s, but he is also held responsible for some of the company's subsequent long-running problems which have led to a halving of its share price in the past 13 months.

The loser in the management changes is Mr Alan Smith, brought in as chief executive less than two years ago from Marks and Spencer, the leading British retailer.

"We had a duplication of leadership which eventually produced conflicts," said Sir Nigel Mobbs, the senior non-executive director who has taken over temporarily as chairman. "They approached retailing from two ends of the spectrum."

Leaving with Mr Smith is Mr James Kerr-Muir who joined as finance director two years ago from Tate & Lyle, the sugar group.

Sir Nigel, whose main job is head of Slough Estates, one of the largest UK property companies, said the Kingfisher board had been aware of unease among institutional shareholders about the company's poor performance but it had acted without external prompting.

Analysts expressed sympathy for Mr Smith, because many of the problems predated him and Sir Geoffrey had failed to give him a clear run at the job.

Sir Nigel said that, in retrospect, it was an inappropriate pairing of executive skills and personalities – for which the board took responsibility. To resolve the conflict, the board chose Sir Geoffrey for his record in strategic thinking and ability to implement change.

"What the company really needs is a retailer to run it and Sir Geoff is not that," one analyst said yesterday. The analyst also expressed concern about a lack of depth among senior management.

An additional change announced yesterday was the early retirement of Mr Jonathan Weeks, managing director of Woolworths. He will be replaced by Mr Roger Jones, who joined Woolworths in 1954.

Victim in struggle, Page 9
See Lex

Hurd to reassure British MPs over EU plans

By Robert Peston and John Kampfner in London

Mr Douglas Hurd, the UK foreign secretary, will today attempt to regain the initiative in the debate over European Union strategy, in the face of accusations from pro-European backbenchers of the ruling Conservative party that he has been "appeasing" the Euro sceptics.

In a speech to Conservatives attending a winter school, Mr Hurd will say that Thursday's meeting of the defence and overseas policy cabinet committee endorsed his proposals for preparing UK strategy for next year's intergovernmental conference on the future of the European Union.

He will deny reports that the Eurosceptics in the committee meeting have taken control of the UK's conference strategy.

However, his account of the cabinet's position on the conferencemay disappoint pro-European backbench MPs. Mr Hurd will say that the UK will try to set a conference agenda based on the notion that the EU Council, the Commission, the European Parliament and the European Court can all be improved. The UK will argue that passing more power to Brussels should be resisted.

Mr Hurd will also stress that there is no possibility of the UK opting out of the EU.

His speech follows a meeting on Wednesday with 35 members of the Positive Europeans group of Conservative MPs, which claims 90 members in total. They vented their frustration at what they perceive as the anti-European Union drift of the cabinet.

Mr Ray Whitney, a leader of the group, said: "There was some disappointment with Douglas."

He said his colleagues would act as "gentlemen" and were not yet ready to adopt the tactics of the Eurosceptic rebels who, at the end of last year, lost the party whip when they voted against the government.

However, other members of the group said they had warned Mr Hurd that they were prepared to take more radical action if their views were not heard.

The pro-Europeans are now relying more on Mr Kenneth Clarke, the chancellor, who is to address them early next month.

Mr Major, visiting Suffolk yesterday, denied reports that Mr Hurd had been isolated by his colleagues at Thursday's meeting of the Cabinet committee. He said all those present backed the strategy he set out in his speech in Holland last September.

"There are very few people who don't fall within the mainstream of that particular view, and it doesn't involve anyone in cabinet," Mr Major said.

Chancellor sees little danger of economy overheating, Page 4

THE LEX COLUMN

Knives out at Kingfisher

Sir Nigel Mobbs, Kingfisher's non-executive deputy chairman, deserves a degree of congratulation for initiating change within the retailer's boardroom. The move shows a welcome willingness to respond to shareholders' disquiet at the group's multiple problems, even if was not triggered directly by investor agitation. The 5 per cent bounce in the share price yesterday is a sign of investors' relief that something at last is being done after a year in which the stock fell by 40 per cent.

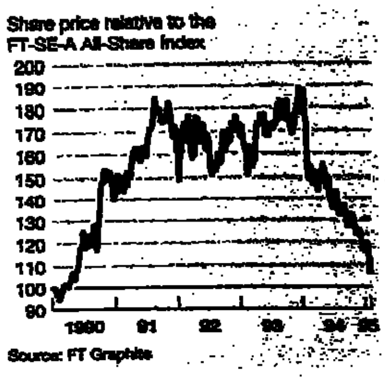
Congratulation must be qualified, though, because Sir Nigel's knife-wielding is not necessarily the best surgery for Kingfisher. It comes so soon after last week's dreadful trading statement that the move has a flavour of panic about it. Would it not have been better to wait until March when the results of the group's strategic review would have become clear? Kingfisher's non-executive directors are open to the charge that they have acted too hastily to find a scapegoat for difficulties that go deeper than the blurred division of management responsibility between Sir Geoffrey Mulcahy, executive chairman until yesterday, and Mr Alan Smith, ousted as chief executive.

There is also at least the possibility that in choosing to dislodge Mr Smith rather than Sir Geoffrey they picked the wrong man. After all, Sir Geoffrey is arguably as much if not more to blame for the pickle Kingfisher now finds itself in as Mr Smith. Some recognition of this is implied in his willingness to step down as executive chairman and become chief executive. But as the choice is now a *fait accompli* it is futile to dwell on this question.

The issue for the board is to get to grips with the operating and strategic challenges facing Woolworth and Comet in particular. As last week's statement made clear, these are severe: both are being mauled by competitors. B&Q is fighting hard to stand still in an increasingly competitive market. The brightest star in the Kingfisher firmament is Darty, the French electricals retailer, for which Sir Geoffrey must take credit as the exponent of the controversial acquisition.

The appointment of a credible external non-executive chairman will help the process of creating value for Kingfisher shareholders. A cut in head office costs – and in Sir Geoffrey's bloated salary – would be a good start. But if that value is not generated by the existing management team, and swiftly, it is a fair bet that a third party will see the attractions of dismembering the Kingfisher portfolio. The break-up value could be higher than 500p a share, compared to 406p at last night's close.

FT-SE Eurotrack 200: 1370.1 (+4.2)



Source: FT Graphite

UK bids and deals

The UK market has been awash with takeover stories, real and imagined, during the course of the week. The real ones alone, in particular Glaxo's bid for Wellcome, mean that after a month it can already be said that 1995 will be a bumper year for mergers and acquisitions.

Although individual stocks – TSB, Kleinwort Benson and S.G. Warburg for example – have profited from highly specific takeover speculation, the Glaxo/Wellcome bid has given only a limited fillip to the stock market as a whole: the FT-SE 100 index is up only 27.2 points, or 1 per cent, over the week. This is is because the current takeover wave is not the sort to inspire speculative inflation in asset values.

It is not powered by financial engineering, nor as yet driven by marauding merger and acquisition merchants such as BTR or Hanson, although Hanson is widely expected to return to the takeover fray before too long. Industrial logic is the order of the day. It is that which has driven Glaxo's move and has inspired Cadbury Schweppes to approach Dr Pepper and Germany's Veba to take a stake in Cable and Wireless. High levels of corporate liquidity help UK companies finance such strategic moves, but the evidence so far is that managements are unwilling to risk the ire of focus-minded institutional investors to use surplus cash to pursue diversification for its own sake.

Trafalgar House's bid for Northern Electric is an opportunistic move driven by financial engineering and tax considerations. But this is an exception which proves the rule: as the merger wave continues to roll in 1995, it is likely to be concentrated on industrial sectors where consolidation is required. Chief among these are food manufacturing, financial services and pharmaceuticals. Not all investors will benefit. Experience suggests that the economic benefits of takeovers are captured by shareholders in the company being taken over. As the fall in Glaxo's share price this week shows, shareholders in the bidding company do not necessarily gain.

Insider dealing

The rationale for the London Stock Exchange's beefing up of its anti-insider trading weaponry has been evident in recent weeks. Given the market's bout of acquisition fever it is important investors know they are not being disadvantaged by insiders. The exchange was right to encourage a statement of ignorance from Kleinwort Benson yesterday after its shares rose 9 per cent in heavy trading. Bids involving Portals, S.G. Warburg and Wellcome were all preceded by share price rises. The exchange has to dispel the perception of an opaque market where insiders can make fortunes buying shares off ignorant investors.

The exchange's latest powers represent a progression from cattle prods to nuclear warheads. One might have thought the threat of enforced indicative trading – whereby market makers no longer have to offer firm prices in a stock – would be enough to persuade companies to reveal whether rumours have substance. But the exchange thinks it also needs the reserve threat of a 24-hour trading ban. It is to be hoped that these powers will prove a deterrent rather than weapons of mass destruction. The purpose of markets is to facilitate trading not to prevent it.

Companies may complain that the exchange is using sledgehammers to crack nuts. Last year Enterprise was forced to reveal its plan to bid for Lasmo at an early stage and considered that a factor in its inability to seal the deal. But investors will not worry if the exchange's rules prevent bidders polishing their public relations. Arguably, premature revelation of bids only scuppers those deals which make little commercial sense.

UK rail service proposals set to spark fresh sell-off row

By Charles Batchelor, Transport Correspondent

The UK government is bracing itself for a further onslaught on its rail privatisation programme on Tuesday when the announcement of minimum train timetables is likely to show projected cuts in passenger services.

Critics are expected to point to the service requirements drawn up by the franchising director, Mr Roger Salmon. They will require Gatwick Express, for example, to run only 50 to 60 per cent of present services.

The three other train operators, Great Western, London, Tilbury & Southend and South West Trains, will be required to run between 80 and 90 per cent of present services.

The four franchises will be among the first six to be sold off by the end of 1995.

In a bid to head off charges that the government has lost the initiative over its rail plans, Dr Brian Mawhinney, transport secretary, is to take over direct responsibility from Mr Salmon for presenting the service requirements publicly on Tuesday.

The Labour party has made political capital out of the fact that the structure of the privatised system was being decided by unelected officials and not by the government.

When Mr John Swift, the rail regulator, announced details of options for the sale of rail tickets earlier this month – including one proposal to restrict the full range of tickets to fewer than 300 stations – the opposition whipped up a storm of criticism.

Dr Mawhinney intervened to say he would not approve this option, but was later forced to concede he had no powers to order Mr Swift to do anything.

The passenger service requirements set the minimum level of service which a train operator must run.

The low requirement set for the Gatwick Express route, a fast shuttle service between London Victoria and Gatwick Airport, reflects the fact that this has in the past been a profitable line. Competition from other operators will oblige Gatwick Express to maintain a full service.

The other three franchises combine a mixture of suburban commuter routes, fast InterCity services and rural lines.

Mr Salmon announced last December that he was particularly keen to maintain services on commuter routes where passengers have no alternative to rail, and on essential rural lines.

US economy

Continued from Page 1

that the rate of economic growth may already be slowing in reaction to last year's tightening of monetary policy.

The reaction on financial markets yesterday was relatively subdued as analysts had expected buoyant growth. The benchmark long bond was up ¾ at midday to yield 7.797. The Dow Jones Industrial Average was down 15.14 at 3855.30. The dollar was down slightly against the D-Mark at DM1.5119 from DM1.5147 and against the yen at Y99.100 from Y99.375.

Few praise Cantona's kick

Continued from Page 1

"Please keep him! We beg you, please keep him."

"Truly," wrote Mr Alain Pecheral in Le Provencal, "we are no longer interested in his escapades, his pseudo-philosophical bragging, his crudeness and the state of his soul." There were no attempts to defend a fellow national abused for being French.

Le Monde clearly believes that football is not its readers' favourite sport. It ran just a few words on the story.

Cantona has telephoned Noel Le Graet, president of the French football league, who said: "He does not understand the dimensions this affair has taken on." He added: "In fact, he's angry. He thinks the whole world must pardon him immediately."

Newspapers elsewhere in Europe, from the Frankfurter Allgemeine Zeitung to El Pais, ran large photographs and short articles on the incident.

El Pais commended the player's skill, noting that he carried out the attack "with precision", while a cartoon in The Irish Times had him saying "touche" as he kicks the fan.

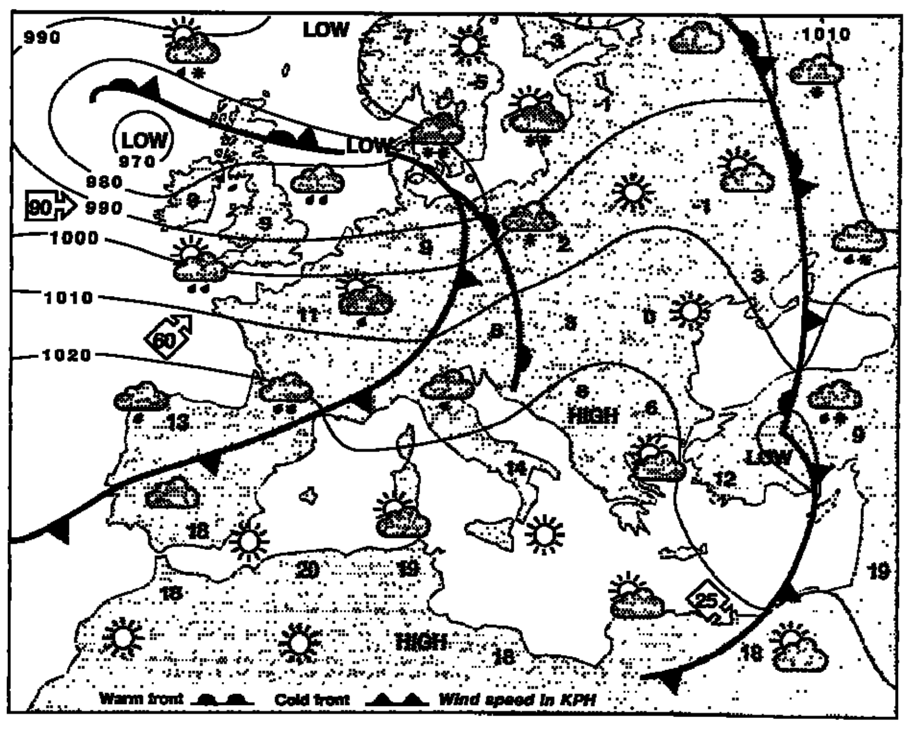
FT WEATHER GUIDE

Europe today

Showers are expected over England, Ireland and Wales because the difference between a low pressure area north-west of Ireland and a high over the Canary Islands will bring moist air into the British Isles and western Europe. Severe gales are expected in the Irish Sea. A band of rain will move across central Europe from southern Scandinavia over Germany to northern Spain. Further to the east, conditions will be settled with lots of sun in the Balkans. A mixture of sun and cloud is expected around the Mediterranean, but sunny conditions will continue in southern sections of the Mediterranean and Greece. Rain will move away from Turkey towards the east.

Five-day forecast

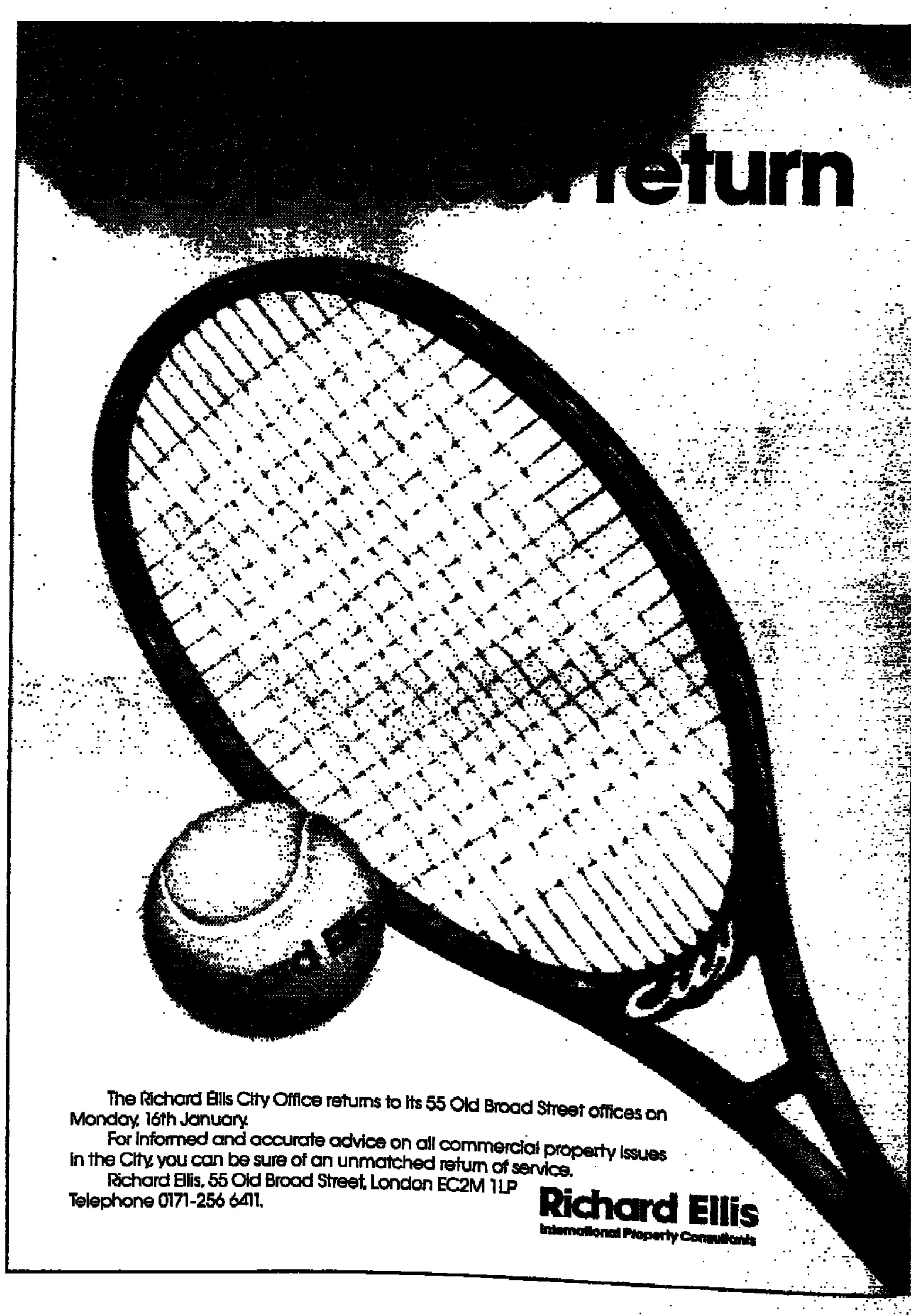
Wind and rain will continue to blanket the area from the British Isles to central Europe. During the weekend, a good deal of rain is expected in the UK and the Low Countries. Conditions will also be rather unsettled in Portugal and northern Spain. Italy will have some showers. High pressure will dominate the Balkans. Consequently, sunshine is expected from Hungary into Greece and Turkey.



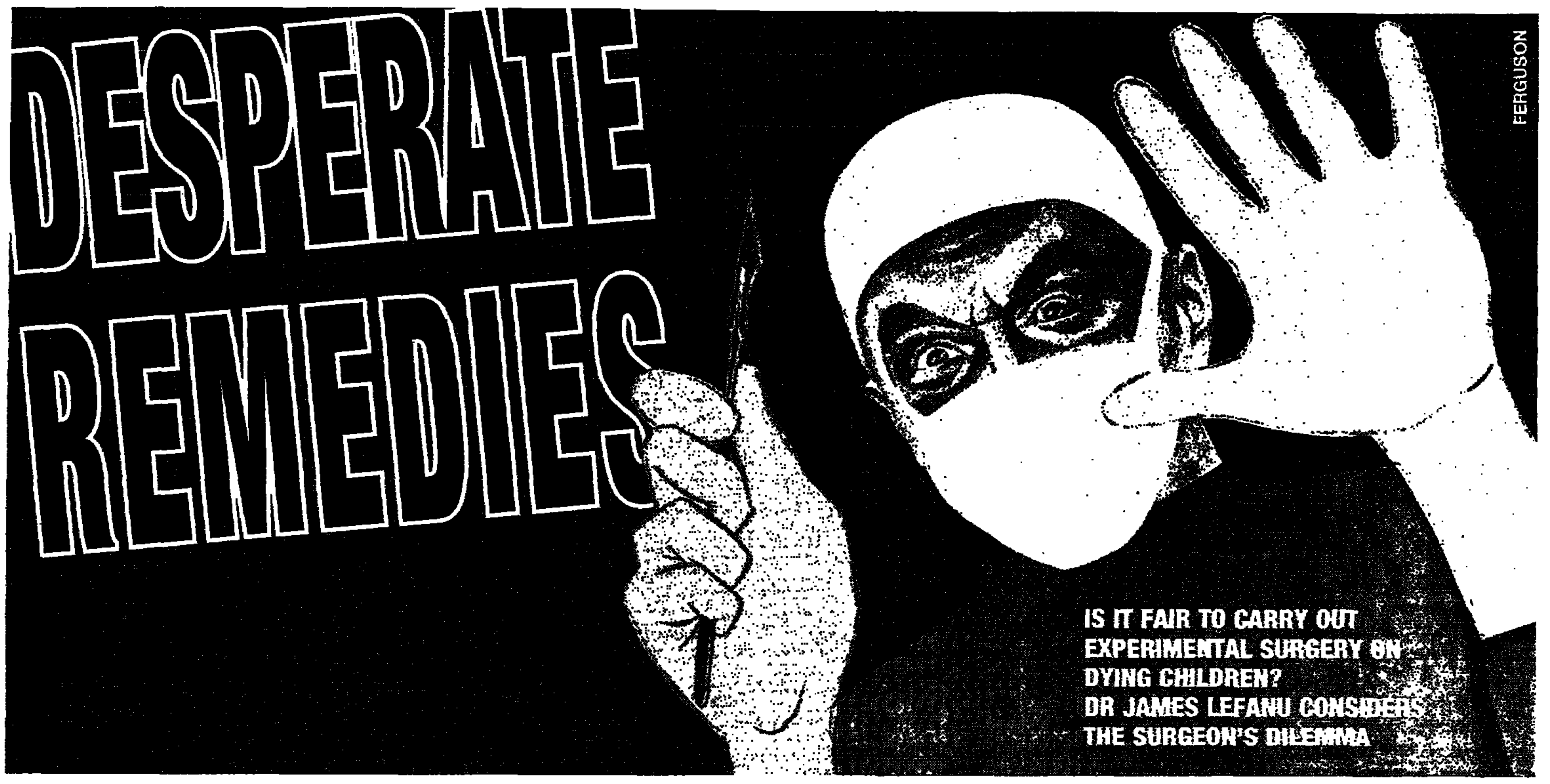
Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

		Maximum Celsius
Abu Dhabi	sun	23
Accra	fair	32
Algiers	fair	19
Amsterdam	shower	5
Athens	fair	18
Atlanta	cloudy	13
B. Aires	fair	30
B.ham	rain	3
Bangkok	fair	33
Barcelona	fair	14
Beijing	sun	3
Belfast	rain	5
Belgrade	rain	5
Berlin	cloudy	5
Bermuda	shower	19
Bogota	fair	22
Bombay	hazy	31
Brussels	fair	5
Budapest	fair	7
C.hagen	fair	3
Cairo	sun	19
Cape Town	fair	25
Caracas	fair	29
Cardiff	rain	7
Casablanca	sun	17
Chicago	fair	1
Cologne	fair	3
Dakar	fair	25
Dallas	shower	16
Delhi	sun	26
Dubai	sun	24
Dublin	rain	10
Dubrovnik	rain	12
Edinburgh	sleet	2
Faro	fair	16
Frankfurt	shower	4
Geneva	fair	6
Gibraltar	sun	16
Glasgow	sleet	2
Hamburg	shower	5
Helsinki	snow	-3
Hong Kong	drzzl	17
Honolulu	fair	28
Istanbul	fair	13
Jakarta	shower	30
Jersey	rain	11
Karachi	sun	28
Kuwait	fair	17
L. Angeles	sun	19
Las Palmas	fair	21
Lima	cloudy	29
Lisbon	cloudy	16
London	rain	6
Lux.bourg	cloudy	3
Lyon	fair	5
Madeira	fair	19
Madrid	cloudy	13
Majorca	sun	17
Malta	fair	17
Manchester	rain	3
Manila	fair	30
Melbourne	shower	28
Mexico City	fair	21
Miami	sun	24
Milan	sun	8
Montreal	snow	-14
Moscow	snow	-1
Munich	cloudy	4
Nairobi	fair	26
Naples	sun	14
Nassau	sun	26
New York	sun	4
Nice	sun	14
Nicosia	fair	16
Oslo	sun	-2
Paris	rain	6
Perth	fair	25
Prague	shower	3
Rangoon	fair	29
Reykjavik	cloudy	-3
Rio	rain	32
Rome	sun	14
S. Frsco	fair	13
Seoul	fair	0
Singapore	shower	31
Stockholm	sun	-3
Strasbourg	cloudy	5
Sydney	shower	22
Tangier	fair	17
Tel Aviv	fair	17
Tokyo	fair	8
Toronto	fair	-1
Vancouver	shower	9
Venice	sun	12
Vienna	fair	7
Warsaw	shower	4
Washington	sun	6
Wellington	rain	19
Winnipeg	fair	-8
Zurich	shower	3



Weekend FT



DESPERATE REMEDIES

IS IT FAIR TO CARRY OUT EXPERIMENTAL SURGERY ON DYING CHILDREN? DR JAMES LEFANU CONSIDERS THE SURGEON'S DILEMMA

At times the scope of modern surgery seems limitless. In the last six months alone there have been reports of a 102-year-old man receiving a heart pacemaker and a 31-week-old foetus, still in the womb, undergoing cardiac surgery to dilate a narrowed heart valve.

In the same period, Professor John Wallwork at Papworth Hospital in Cambridge performed the first operation to give a man a permanent plastic heart, while down the road at Adenbrooke's, Professor Sir Roy Calne transplanted six organs – including the liver, kidney, stomach and pancreas – into the same patient in a heroic 12-hour operation.

Even more impressive is the way in which surgical procedures, which in the recent past would have been inconceivable, have become routine. People in their early 80s now undergo open heart surgery and sophisticated anaesthetics keep patients alive during the operation, while intensive care technologies ensure they will not die, at least in the immediate aftermath.

But these advances are creating severe problems of quite a different order. Not every operation that can be done should be done. Yet who can possibly decide to withhold a chance of life from a dying patient? As Henry Lord Cohen of Birkenhead, the late Professor of Medicine at Liverpool put it: "The feasibility of an operation is not the best indication for its performance."

This judgment seems particularly difficult to make in the case of children, when surgeons increasingly turn to transplantation as a final gamble to avert death from a failing organ. "Diseases desperate grown by desperate appliances are relieved – or not at all," wrote Shakespeare. But when the outcome is disastrous, it always seems better in retrospect to have done nothing.

This was certainly a common verdict following the death of Laura Davis, the five-year-old Birmingham girl who had two highly complicated bowel operations performed by Dr Andreas Tzakis of Pittsburgh General Hospital at a cost of more than £1m before succumbing to a haemorrhage into the brain.

In Lady Warnock's words: "It was dishonest to pretend this was anything other than experimental surgery. Doctors are evading their responsibilities in telling patients that such procedures might give their child a chance."

In Tzakis's defence it could be said that all pioneering surgery is experimental and that early failures are inevitable. Heart transplants may be routine now that 70 per cent of patients survive five years or more. In the early days, most patients were lucky if they got off the operating table alive.

Nonetheless, the public disquiet at Laura's fate raises the question of whether it is possible to discriminate between those types of experimental surgery that are justified and those that are less so. Compare the different outcomes in children receiving a liver transplant with those like Laura who had a bowel transplant.

Every year, a small number of children are born without a bile duct to drain bile from the liver into the gut. Bile salts accumulate destroying the tissues of the liver leading to cirrhosis, liver failure and death usually within 18 months. The only hope would be a liver transplant and refashioning of the bile duct, preferably before the child's first birthday.

Surgeons and doctors at the Children's Hospital, Birmingham, have taken up the challenge and have reported their results in 27 children operated on in the three years to December 1992. All were very ill, most in a semi-comatose state, with inflammation of the brain.

After the operation, there were, inevitably, episodes of rejection and infections exacerbated by the need to use immuno-suppresive drugs. The survival rate following long and complicated operations on these desperately sick infants was an astonishing 88 per cent.

So a child born with an absent bile duct a few years ago would, unless it was diagnosed early, almost certainly have died, but now with almost equal certainty is likely to live. A modern miracle indeed.

> 'It was dishonest to pretend this was anything other than experimental surgery.'

The contrast with bowel transplants is marked. These patients are either, like Laura, born with most of their gut missing or suffer from severe bowel disease warranting its removal. Without a gut they are unable to absorb nutrients, and are kept alive only by infusions of energy rich fluids into a central vein.

Four years ago, the Journal Of The American Medical Association published results of transplantation in four children. None survived longer than six months and all suffered *grievous complications* including recurrent perforations of the gut wall, requiring further surgery.

"There can be no question: this procedure should be withheld from other patients for the immediate future," wrote Dr *Francis Moore* of *Harvard* Medical School, arguing that the surgeons responsible needed to do a lot more research and demonstrate the effectiveness of this operation in animal experiments before trying again in humans.

This disparity between the success of liver transplants in tiny babies and the failure of bowel transplants in children is entirely predictable. The surgical techniques in the former have been refined over many years, in the latter they have not. The liver is a robust organ capable of regeneration. It is therefore able to tolerate acute episodes of rejection. The bowel is fragile and liable to perforation, spilling fecal material into the abdominal cavity with a life-threatening complication of peritonitis.

Lastly, the bowel, unlike the liver, is constantly exposed to the hazards of the outside world in the form of contamination of food which, in patients who are immuno-suppressed, poses a risk of overwhelming infection.

To be fair to the surgeons at the Pittsburgh Transplant Institute who performed these operations and where Laura was treated, their "success" rate has improved (it could not have been worse). But in a revealing comment Tzakis acknowledges that bowel transplants are undertaken with little expectation that the recipients will live for long.

He wrote in the Journal of the American College of Surgeons late last year: "The effort and expense to care for this small collection of pioneer patients was prodigious, but without the sense of eventual security that is achieved in long surviving liver transplant recipients."

Bowel transplants in children are an obvious example of experimental surgery which, though feasible, seems to be futile. A *subtler insight* into the dilemmas of heroic surgery in children comes from an analysis by John Warner, Professor of Child Health at Southampton University, of the results from lung transplantation for children with cystic fibrosis.

This hereditary disease produces abnormal lung secretions. The airways become plugged with mucus, behind which recurrent infection sets in. Over the years, the delicate structure of the lung sacs is destroyed and the sufferers become progressively more short of breath.

Nonetheless, with recent improvements in treatment, combining antibiotics, steroids and physiotherapy many live well into their 30s. The definitive solution would be to give these children new lungs. This is not easy, although it became feasible after the decision to transplant the lungs and heart together, a simpler procedure.

While at the Royal Brompton

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NEXT WEEK
The myth of the international art thief

Joe Rogaly

Havanas for Lord Fixit

The Tories have made a world where even decent men look like chancers

Lord Fixit, as Lord Wakeham is rightly *known to his former* cabinet colleagues, understands cigars. Together, we have puffed those fleeting sources of deep pleasure on several happy occasions. The former energy secretary is in a spot of bother, but you will *not catch me pouring* opprobrium over the head of a fellow admirer of Cuba's finest.

Perhaps his appreciation of the rolled leaf explains why Lord F, or, if you prefer, Lord W, can be such a genial companion. You have only to glance at his face to see his mind at work. "How can I get so-and-so to do this-and-that?" plays repeatedly across his forehead.

His various answers to this question were invaluable during his years as a minister. *His services in cabinet* committees and elsewhere were much appreciated by both John Major and the then Margaret Thatcher. Alas, his Fixit qualities were not at full strength in the months before he stepped down as Tory leader of the Lords last summer. The government's legislation had a bumpy passage through the upper house. Not all of it survived intact. Given the times, we cannot be sure that anyone else would have been more successful.

That said, Lord Fixit will doubtless earn the fee he is to be paid as the newest non-executive director of Rothschilds. *His address book alone* would be worth the price. This is not a snide way of suggesting that the merchant bank is rewarding him for retaining it as adviser to regional electricity companies while he was privatising the industry. The business was done years ago and a non-exec honorarium would be a measly bribe. If he is trading on knowledge acquired while in the service of us taxpayers, we may reflect that we did not pay him all that much ourselves. In the absence of evidence to the contrary we assume that Lord Wakeham believes he has behaved honourably.

The trouble is, it does not *look* good. Fixing privatisations and then taking a job with the bank that profited from the deals is one of those moves that forever needs explaining. It adds another brush-stroke to the great cloud-painting over the contemporary British sky, the one that casts a shadow over Lord Young of Industry and Cable and Wireless, Lord Walker of Energy and British Gas, and Lord Tebbitt of Industry and British Telecom, to name but three.

We may be certain that they regard themselves as honest servants of the public, in all capacities, but under the nimbus of suspicion that hovers above this ministry they look like chancers.

Much the same applies to Cedric Brown, who chanced to find himself at British Gas when it was privatised, chanced to become chief executive, and, chance would have it, was last year awarded a 75 per cent pay rise to £475,000. I have not met Mr Brown, *let* alone ventured to ascertain his position on grand coronas, but he seems, from his appearance on television and the word of colleagues who know him, a pleasant enough chap. Running a monopoly is easy as pie (price up to the regulator's limit, slash wage bill, take the money and run), but that is not his fault. Nor is the fact that any competent middle manager, commanding any five-figure sum, could do it.

> Opinion polls indicate that the electorate regards Tory government as disreputable

Who, finding him or herself in Mr Brown's position, would talk the company's remuneration committee down to a just figure? Clearly not James Smith, chairman of the Eastern Group, formerly Eastern Electricity, or Sir Desmond *Pitcher, the chairman of* North West Water. We need not dwell on the size of their remuneration, just note that if Mr Brown's is undeserved, Sir Desmond's is trebly so.

The Tories are the losers. Opinion polls indicate that the electorate regards Conservative government as disreputable. It has failed to persuade us that appointments to quangos are always without political taint. A cynical public suspects the administration of selling honours in return for contributions to party funds. We have all read of payments from lobbyists to backbench MPs. The jobs taken by ministers and the salaries taken by the bosses of privatised industries add drama to a serial that seems to have no end. In short, Jack Straw, who speaks on these matters for Labour, has it right. Privatisation combined with the growth of government by quasi-independent committees has created a world in which chancers thrive.

No wonder there is such a wailing and wringing of hands. Rules will be tightened. The Nolan commission, appointed by the government, will attend to the regulations governing elected officials. The Greenbury committee, set up by the Confederation of British Industry, may invent new justifications for executive pay. On form to date we *may have mild hopes of* Nolan. As yet we know nothing of Greenbury, save that it is a conclave of selected fat cats whose purpose appears to be explain away the consumption of bucketsfull of cream by overweight felines in general. This could benefit the Labour party for years to come. They get regular free party political broadcasts – not a soap, rather a weekly airing of the Tories' dirty laundry.

Do not get me wrong. I have nothing against wealth, properly acquired. Peter Wood, who made all those millions out of Direct Line insurance, deserves his due reward, although 40 per cent seems rather a low ceiling on his marginal rate of taxation. Envy? I have sufficient for my needs. I would not know what to do with a lottery-sized income if I had one. All that is, however, by the way.

The important point is that the Conservative revolution of the 1980s has loosened everything, including our morals. *Opportunities that did not* previously exist have been created, most notably by privatisation, but increasingly by public-private cohabitation, as in the health service. British society is losing its former innocence. There is no longer any shame. Dreadful. Now where did I put my Havana?

Hard hearts

Continued from Page I

Hospital, Warner was involved in caring for 27 children referred for a transplant. Of these, 13 were excluded after an initial assessment. Of the remaining 14, four died while on the waiting list and there were four further deaths among the 10 who did have a transplant. Thus only six children survived out of the original group, giving a success rate of just over 20 per cent.

Warner is not convinced that this justifies "the anguish and suffering borne by the children and their families". This must include the desperation of the children initially assessed as candidates for a transplant, only to be told that they are unsuitable, and of the parents of the children who died waiting for their operation. For those children whose initially successful transplants were subsequently rejected the process was little more than a cruel hoax.

Warner describes one girl who, before her operation, had been "totally resigned to her fate and able to face death in a remarkably mature and appropriate way". When, after a year, things started going wrong "she became a frightened, desperate girl assailed with morbid guilt about the donor of her heart and lung".

Warner argues that the technical feasibility of transplants for children with cystic fibrosis with its promise of a "cure" for a very few has distorted the care that all children with cystic fibrosis should receive.

His pessimistic views were published in an article "Heart-lung transplants: all the facts", with the obvious implication that until then doctors had been less than objective about the social and psychological costs involved.

The main issue is the value of professional judgment. There is an old maxim that a competent surgeon knows how to operate, a good surgeon knows when to operate and the best surgeons know when *not* to operate. The onward march of life-sustaining technologies has eliminated this distinction. When "desperate remedies" become feasible it is difficult to resist the temptation to attempt them.

It is hard to imagine that Laura's parents would have consented to her operation if they had known "all the facts" about bowel transplantation and doctors, as Lady Warnock suggests, are failing their professional duty if they do not provide them.

In spite of Warner's misgivings there are no ethical guidelines on experimental surgery in children because there are so many conflicting aims.

Successful surgeons enjoy the challenge of innovative surgery and are prepared to accept a high risk of initial failure, believing that their success rates will improve. Parents are caught between the desire to do everything for their child (and the inevitable guilt if they do not) and the wish not to inflict unnecessary suffering.

The profession in general appears divided. After the first heart transplant on a new-born baby performed by Professor Magdy Yacoub in 1984, Michael Oliver, Professor of Cardiology at Edinburgh University, said: "Surgeons, physicians and parents must come to accept that biology can go awry, and that technical feats may not put it right again."

> 'She became a desperate girl assailed with guilt about the donor of her heart and lung'

His view was promptly contradicted by Dr David Harvey, paediatrician at Queen Charlotte's Hospital, west London, who said: "Experimental treatment is justified for any condition which is uniformly fatal."

In the absence of ethical guidelines, there are no general rules about what type of heroic surgery should or should not be attempted. The individual child's best interest can only be safeguarded if its parents seek an independent professional judgment from a doctor not directly involved in the transplant programme. They are more likely to be given "all the facts" on which to make a decision.

Personal style: Harriet Anstruther with some of the scarves she designs and sells under her own name

Trevor Humphries

Minding Your Own Business

Screenprint for success

Marilyn Bentley meets a scarf maker who has found that designing less means more profits

At 27, Harriet Anstruther has achieved the difficult marriage of art and commerce. Her distinctive silk scarves, based on original fine-art drawings, are sold in more than 200 outlets around the world, including Harrods and Saks Fifth Avenue. This year's projected net profit is £37,000 on a turnover of £110,000.

She attributes her passion for art and design to a childhood spent among beautiful things, and her commercial instincts to hard-working parents. She was also influenced by the commercial atmosphere of the US, where she lived after graduating from the Byam Shaw School of Fine Art.

On returning to England, she worked for a wholesale-retail fashion company for whom she designed T-shirts. Their quality and styling was not to her taste – "they were, I have to say, quite hideous!" – but they sold. The work gave her a grounding in business and some useful knowledge of printers and suppliers in the industry. Within a year, she had gained enough confidence to set up on her own.

She started Hufitts in 1990 with £7,000 of her own savings. The company designed and sold "funky, good quality T-shirts" retailing at £30-£35 per item. Anstruther did the creative work, and an agent, who took 10 per cent commission, helped with sales and distribution. "It was very much King's Road middle market fashion, and we sold a great number of them."

But Anstruther soon became frustrated by the discipline of designing a product so rigidly governed by street fashion trends. What she aimed for was a business successful in both commercial *and* creative terms. She had identified a gap at the upper end of the market for screen printed silk scarves – "something that wasn't covered in saddles and buckles." After a year, and a great deal of market research, she wound up Hufitts, and put the £20,000 she had made into the new business, Harriet Anstruther.

She approached the NatWest Bank with her business plan, and found its small business scheme supportive. It gave her free banking for a year, a "nice overdraft", and a lot of advice. She also made use of free information and services available from bodies such as the Department of Trade and the British Knitting and Export Council. "They are vital, especially if you're wearing a creative hat on one day and a business hat on the other."

Her vision of the product was clear from the start. The distinctive feature is the pen and ink drawing, printed in a single colour, usually black, sepia or deep navy, on a range of colours and types of fabric such as chiffon, crêpe and twill. The drawings have an 18th century rococo feel. The single colour monoprint lends itself to this style, but it also has a strong commercial logic. Each colour used in a design requires a separate screen, costing about £250: "Using several colours means paying for that number of screens, before you have even printed a scarf or bought any silk."

In her enthusiasm for the drawings, she made her early collections too complicated: "Buyers would say, Oh, great, there are 15 different designs, in 20 different colourways, I'll have one of each. I wondered at the end of the season why I wasn't making any money!"

Today, a collection contains 50 to 60 pieces, using only two designs. This simplifies production and presents buyers with a clear and coherent fashion story. Individual items retail from about £40 for a long, narrow scarf, to £150 for a 1 metre by 2 metre shot chiffon wrap.

The drawings are the most time-consuming part of producing the twice yearly collections. Working from home, Anstruther supplies the finished art work to scale, subcontracting the screen-making, printing and hand-finishing. She does not cost her time.

"You have to recognise your worth, but the competition is huge. If you worked your time into the costings, you'd never sell a scarf. It's a very humbling process."

Finding suitable screenmakers and printers required extensive research. "It's almost impossible to get anyone to give you any names. People in the business are very protective of their own sources."

As well as designing, Anstruther selects and dye-tests the fabrics, deals with buyers, and shows her work at two big trade shows a year. Since March 1994, she has employed an assistant, and she is adamant about the importance of retaining a press office to enlarge her client base. These two expenses represent the largest proportion of her £28,000 fixed costs.

She uses her former home as a showroom, for a nominal rent. "A showroom is vital, because it speaks of you. Clients get a complete feel of what I, as a designer, am all about." Hers is a discreetly luxurious space combining dark blue velvet on the walls – "I picked it up at a warehouse for 99p a metre" – with examples of her own commissioned fabric and wallpaper designs.

Last year, Anstruther was ill and then she had a baby. By January, she was questioning whether she had the energy to continue. Then at lunch in a café, she saw a woman wearing one of her scarves. "I realised I'd done all the hard work, establishing contacts and stockists. I went back into it and gave it my best shot."

This season sales have quadrupled. "It makes me breathe, working. I just love it."

■ *Harriet Anstruther, 15a Cromwell Mews, London, SW7 2LA. Tel: 071–584 7312 fax 071-584 8285*

MINDING YOUR OWN BUSINESS

GREEK EXPORTS S.A.
(Special Liquidator of M.E.V. S.A. in accordance with Decisions No. 2696/93 and 5625/94 of the Athens Court of Appeal)

ANNOUNCEMENT

OF A PUBLIC AUCTION FOR THE HIGHEST BIDDER FOR PURCHASING THE ASSETS OF METALLEFTIKI, EMBORIKI & VIOMIHANIKI S.A. NOW UNDER SPECIAL LIQUIDATION

GREEK EXPORTS S.A., established in Athens at 17 Panepistimiou Street, and legally represented, in its capacity as special liquidator of METALLEFTIKI, EMBORIKI & VIOMIHANIKI S.A. (MINERAL, COMMERCIAL & INDUSTRIAL S.A.) in accordance with Decision No. 2696/93 and 5625/1994 of the Athens Court of Appeal

ANNOUNCES

a Public Auction for the Highest Bidder with sealed binding offers for the purchase of the total assets of the company METALLEFTIKI, EMBORIKI & VIOMIHANIKI S.A. (MINERAL, COMMERCIAL & INDUSTRIAL S.A.) established in Athens at 18 Omirou Street and within the framework of article 46a of Law 1892/1990, supplemented by article 14 of Law 2000/1991 and modified and complemented by article 53 of Law 2224/1994.

ACTIVITY AND BRIEF DESCRIPTION OF THE COMPANY

METALLEFTIKI, EMBORIKI & VIOMIHANIKI S.A. was founded in Athens in 1964 and is engaged mainly in magnesite ore mining, distribution of raw magnesite and in the manufacture and distribution of caustic calcined magnesia and dead burnt magnesia.

The company owns two mining concessions in the department of Euboea, OP 332 covering an area of 8,978 stremmas and OP 240 covering an area of 539 stremmas. Two workings have been developed inside these concessions, one underground and one surface.

Among others, the installations include pre-beneficiation and beneficiation facilities, two shaft kilns for the production of caustic calcined magnesia and related machinery.

The company also owns 45 stremmas at Kymasi Mantoudiou in Euboea where the shaft kilns for producing and storing the caustic calcined magnesia are situated.

As far as the slag ores at Troupi, Euboea are concerned, these are covered by deeds of the General Insurance Privileged Warehouses of Greece and are on bond to the National Bank.

Detailed information on the assets of the company are contained in the Confidential Offering Memorandum which interested parties can obtain from the liquidator.

TERMS OF THE AUCTION

1. Interested parties are invited to receive from the Liquidator the Confidential Offering Memorandum and the draft Letter of Guarantee in order to submit a sealed, binding offer to the Athens notary public assigned to the auction, Alexandra Mergimou-Nicolaidi, 69 Panepistimiou Street, 7th floor, tel. +30-1-3225410 and 3240214 up to 1900 hours on Monday, 20th February 1995.
   Offers must be submitted in person or by a legally authorised representative. Offers submitted beyond the specified time limit will not be accepted or considered.
2. The offers will be opened before the above-mentioned notary on Tuesday, 21st February 1995 at 1000 hours with the liquidator in attendance. Persons having submitted offers within the time limit are also entitled to attend.
3. The sealed, binding offers must state clearly the offered price and manner of payment (in cash or on credit, the number of instalments and when they are to fall due and the proposed rate of interest. If there is no mention of a) the manner of payment, b) whether the instalments will bear interest or not, c) the rate of interest, then it will be assumed that a) the amount will be paid in cash, b) the instalments will not bear interest, c) the instalments will bear the legal rate of interest. In the event that payment is offered on credit, the current value will be calculated with a fixed rate of interest for all offers, similar to that in force for annual Greek State Bonds at the time of submission of the offer. For offers made in foreign currency the drachma conversion will be made at the fixing price of the Bank of Greece on the day of submission of the offer.
4. On penalty of invalidity, offers must be accompanied by a letter of guarantee from a bank legally operating in Greece and valid up to the date of adjudication, to the amount of one hundred million drachmas (Drs. 100,000,000).
5. Forfeiture of guarantee: In the event that the party to whom the assets for sale have been adjudicated fails in his obligation to appear and sign the relative contract within twenty (20) days of being invited to do so by the Liquidator, and abide by the obligations contained in the present announcement, then the amount of the guarantee stated above is forfeited to the Liquidator to cover expenses of all kinds, time spent and any real or paper loss suffered by himself and by the creditors with no obligation on his part to provide evidence of such loss or consider that the amount has been forfeited as a penalty clause, and collect it from the guarantor bank.
6. Return of letters of guarantee. Letters of guarantee submitted for participation in the auction shall be returned immediately after adjudication, by the creditors representing 51%, according to law, except for the letter of guarantee of the highest bidder to whom the letter of guarantee will be returned on signature of the final contract.
7. Evaluation guidelines: Among others, the following are to be considered as essential guidelines for evaluation of the offers by the liquidator:
   a) The size of the amount offered.
   b) The assurance, as far as possible, of the highest number of job positions and any additional benefits for the personnel.
   c) The business plan and the investment programme of the buyer.
   d) The standing, business experience and reliability of the prospective buyer.
   e) The guarantees provided by the buyer for the assurance of any part of the payment on credit as well as for the other obligations he will be undertaking (creating new job positions, making new investments, time of starting up the unit, etc.)
8. Through their offer, prospective buyers must undertake the obligation of keeping the unit operative for at least five (5) years from the date of signature of the contract.
9. For securing the payment of any amount on credit and all points contained in the business plans of prospective buyers (job positions, height of investments, time of starting, etc) as well as other terms agreed upon, the buyer must accept relative clauses and provide guarantees (real estate or others) proposed by the creditors which will ensure adherence to all undertakings.
10. The highest bidder is the one whose offer has been evaluated by the liquidator and judged by the majority creditors as being the most satisfactory.
11. The Company's assets and all the separate fixed and circulating assets that make them up, such as immovables, movables, claims, rights, etc. shall be transferred "as is and where is" and, more specifically, in their actual and legal condition and wherever they are on the date of signature of the final contract, regardless of whether the Company is operating or not.
12. The liquidator, the Company under liquidation and its creditors who represent 51% of its total obligations, are not liable for any legal or actual faults or any incomplete or inaccurate description of the assets for sale in the Offering Memorandum.
13. Interested buyers must, on their own responsibility and due care, and by their own means and at their own expense, inspect the object of the sale and form their own judgement and declare in their bids that they are fully aware of the actual and legal condition of the assets for sale.
14. Offers must not contain terms upon which their bindingness may depend or which may be vague with respect to the amount and manner of payment of the offered price or to any other essential matter concerning the sale. The liquidator and the creditors have the right, at their incontrovertible discretion, to reject offers which contain terms and exceptions, regardless of whether they are higher than the others.
15. The Liquidator bears no responsibility or obligation towards participants in the auction, both with regard to the drafting of the evaluation report on the bids or to his proposal of the highest bidder. Also he is not responsible and has no obligation to participants in the auction in the event of a cancellation or invalidation of the auction if its result is deemed unsatisfactory.
16. Participants in the auction who have submitted bids do not acquire any right and can make no demand or claim on the strength of this announcement or of their participation, against the Liquidator or the creditors for any cause or reason.
17. The transfer expenses of the assets for sale (taxes, VAT charges on the value of the movables, stamp duty, notary fees and mortgagor fees, and other expenses for drafting topographical diagrams as per Law 651/1977 and others) will be borne by the buyer.
18. Participation in the auction implies acceptance by the prospective buyer of the terms of the present announcement.

For any further information, interested parties may apply to:
a) GREEK EXPORTS S.A. 17 Panepistimiou Street (1st floor), Athens, Greece. Tel: +30-1-324.3111-115 Fax: +30-1-323.9185.

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Fishing / Tom Fort

Salmon, my way

Those who know me will tell you that I am not one of nature's optimists. I think that is one of the reasons I like fishing: it offers endless scope for anticipatory gloom. An invitation to the Tay to fish on the opening day of the Scottish salmon season provided a fine opportunity for the melancholy fancy, and my mind was filled with visions of snow, ice freezing in rod rings, frost-bitten fingers and the like. But the reality in the village of Kenmore last Monday morning exceeded anything that even my imagination could coil up with.

I was awoken by the roaring and groaning and protesting of trees, and the rattling of windows. Outside, Loch Tay resembled a Gericault painting, and the blasting wind was propelling great sheets of rain down river, with foaming rollers smashing against the stone bridge at the top.

The opening of the Tay season is attended by much ceremony, and a considerable acreage of waxed jacket and tweed hat was collected outside the hotel for the procession to the water. A sodden piper marched at its head, his lament – or was it a call to arms? - competing with the toneless racket of the tempest.

My companion on this jaunt immediately caught a kelt, a salmon which has spawned and is therefore not legitimate prey. Then he caught another, so silver that for a moment it promised to be the precious fresh-run spring fish we were after. But back it had to go – as did all the other fish caught that day. I had nothing at all, but did not feel too bad about it.

In the hotel that night, a mighty cloud settled on the angling throng, as word filtered through that not one single fresh salmon had been caught anywhere on the river. The hoariest ancient could not recall a similar opening day catastrophe.

One man, however, was impervious to depression. My host, Bob Brownless, makes a decent living out of arranging fishing for visitors to Scotland; so I suppose he cannot afford to get downcast. To deal with desperate situations he has developed what one might call BobSpeak, the essence of which is the philosophy that tomorrow is another day. "There's always tomorrow," he proclaimed.

> Word filtered through that not one fresh salmon was caught on the opening day

By morning there was a dusting of snow on the hills, and the wind, though temporarily loss boisterous, had malignantly switched to the east. We went downstream to a beat called Kinnaird, and were entrusted to the care of a weather-blasted ghillie, Tom. We were to employ a method of fishing peculiar to the Tay, known as harling. I will not go into detail, beyond saying that it is a form of trolling from a boat; and is, of itself, the dullest form of fishing that I have encountered. We sat, my companion and I, with Tom's sheepdog behind us, passive and chilled, as up and down and back and forth we went.

It had been decided that, as I had caught nothing the day before, I should play any fish which took the ghillie's lure. This discussion seemed to me theoretical to the point of futility, and I was just saying so when there was an almighty boil downstream.

Tom's rod was on the point of being transformed into a javelin when he grabbed it and handed it to me. I had forgotten what the strength of a spring salmon was like, and by the time Tom netted the fish 20 minutes later, my right arm was aching and my legs were trembling like the remnant leaves on the oak trees by the water.

It was astounding, that fish, deep, thick, unmistakably fresh, with what Tom called the "lilac sheen" on it, and big – bigger than any salmon I had ever caught. Not that I felt it was really mine. It seemed more Tom's fish than mine. But he was untroubled with such niceties. His mind was playing with the intoxicating prospect that we might have the winning fish; and that, more to the point, he might receive the gallon of whisky that went to the ghillie involved. And I, too, began to nibble at the notion of celebrity. Would I appoint a spokesman, I wondered? Would I be exceedingly modest, or quietly self-satisfied? Would I write a long article called "Salmon, my way"?

The afternoon's fishing was blotted out as the weather stepped up three gears from the merely uncomfortable to the purgatorial.

Lugging my inert capture through the airport that evening, I stopped to telephone Bob Brownless. Had we won? We had not. My fish was 20½lbs. Someone else had a 28-pounder.

I felt regret on behalf of thirsty Tom, but no agony of disappointment for myself, only the conviction that – almost certainly – a better man had won.

PERSPECTIVES

The Nature of Things

Small steps in Aids war

The mood among scientists has brightened, writes **Clive Cookson**

The public mood about Aids research has been rising and falling in a regular cycle of hope and despair ever since the disease was recognised 12 years ago. The international Aids conference in Japan last summer marked a trough of pessimism; this year, spirits are beginning to rise again.

Researchers have reported several encouraging findings over the past three months – both about the fundamental nature of the disease and HIV, the virus that causes it, and about improved clinical treatment of patients.

Of course people who already have Aids are less interested in fundamental scientific progress than in the immediate prospects for better drugs. There is still nothing better on the market than AZT, launched by Wellcome to acclaim in 1987 but revealed by clinical experience as a highly flawed drug; toxic side-effects are a serious problem, particularly in the bone marrow, and AZT seems to lose efficacy within a year or so, probably because HIV acquires resistance to the drug.

Recent clinical trials show that combinations of AZT with other anti-HIV drugs give much better results than AZT on its own. The virus finds it harder to mutate in a way that will make it resistant to two or more drugs at the same time.

The best results so far for "combination therapy" come from pairing AZT with 3TC, discovered by BioChem Pharma of Canada and licenced for development to Glaxo. Aids is one area where Glaxo's £9.4bn bid for its fellow British drug company, Wellcome, is likely to benefit patients; the development of AZT+3TC should proceed more efficiently under the wings of a single company.

Both AZT and 3TC work in the same way, by blocking an HIV enzyme called reverse transcriptase. Another generation of promising Aids drugs – under development by pharmaceutical giants such as Merck, Roche and Abbott and by small biotech companies such as Agouron of California – inhibit a different viral enzyme, protease. These too have run into resistance problems on their own but are excellent candidates for combination therapy.

There is still no drug on the horizon that could cure Aids, in the sense of eradicating all the virus from its hiding place within the T cells of the human immune system. But many Aids researchers think it will be possible to keep the disease under control for many years with a cocktail of several drugs working in different ways to inhibit HIV enzymes.

If so, the high cost of Aids treatment may become a controversial issue again, as it was for Wellcome in the late 1980s when patients were having to pay several thousand dollars a year for AZT. A combination of three or four patented drugs for each patient would inevitably be an expensive burden for the health care systems of the industrialised world – and absolutely prohibitive for developing countries where Aids is a far greater problem.

To avert a still worse catastrophe in the third world, a vaccine against HIV is desperately needed. The story of HIV vaccine development has been one of almost continuous disappointment since 1983, when the US health secretary made one of the most over-optimistic medical announcements on record: "We have isolated the Aids virus and a vaccine will be available for testing within the next two years."

However, even on the vaccine front, there is good news. Vaccines against other viruses and bacteria depend on the principle that at least some people can develop a natural immunity to infection. This had not been observed with HIV – until this month when Sarah Rowland-Jones and colleagues at Oxford's Institute of Molecular Medicine reported finding three Gambian prostitutes who showed all the signs of having cleared the virus from their bodies.

> There is still no drug that could cure Aids, but scientists think it can be kept under control in the body

The women's immune systems had high levels of killer T cells against HIV (a sure sign of past infection) but the researchers could detect no signs of virus in their bodies, using the most sensitive techniques available. Rowland-Jones says that, if the observations are confirmed elsewhere, "we may be able to reproduce the kind of immunity that these women seem to have made naturally, in designing a vaccine for the future."

Another research breakthrough, which should bring clinical benefits, is the provisional identification of a virus that causes Kaposi's Sarcoma – a disfiguring skin cancer that is a common symptom of Aids in gay men. Scientists at Columbia University, New York, have found a virus in the herpes family, HHV8, which triggers KS. Since Wellcome and other pharmaceutical companies are developing drugs against herpes viruses, relief for KS sufferers may be in sight.

At a more fundamental level, three papers published in the journals *Nature* and *Science* this month have overturned Aids specialists' view of the nature of the disease. The picture has been of a quiet "latent period" usually lasting for several years after infection, during which the virus is lying low in the immune cells, before the patient starts to suffer symptoms.

The reality of "viral kinetics" turns out to be quite different. Far from being inactive, HIV is infecting and killing millions of cells a day during the latent period – mutating all the time and constantly attacking the immune system until it can no longer hold the disease at bay.

This new evidence of "a titanic struggle between the virus and the immune system", as Simon Wain-Hobson of the Institut Pasteur in Paris described it in *Nature*, should finally lay to rest the misguided minority view that HIV plays little or no part in Aids. And it gives a basic understanding of the disease that is bound to help scientists develop better treatments.

How Clem fits a jumbo in his trunk

Ron Crittall watches elephants and rhinos migrate the modern way across Zimbabwe

Big Ears, with an air of reticence, stood uncertainly off to one side. Noddy, more assertive, head bobbing as if to substantiate his name, came up to make our acquaintance.

It was like a successful cocktail party. The guests were well-behaved and talking animatedly among themselves. There was the occasional nibbling of titbits, and a constant eddy of movement as groups merged and reformed.

We were in the African bush, and the guests were half a dozen black rhinos (including Big Ears and Noddy) in full dress horn and a similar number of elephants, well-tusked. Guards, carrying FN automatic rifles, were posted in the area. This is Zimbabwe where poachers have taken the rhino to the edge of extinction, and the survivors are heavily guarded.

And the elephant? Well here at Imire Game Ranch these elephant are used on the game watch patrols. On command, a couple of them knelt, allowed guards to clamber on their backs, then gently swayed to their feet and lumbered off.

I had thought that African elephants could not be tamed. But, as Imire's founder, Norman Travers, says: "This isn't a wild park. We've tried to tame many of our animals so people can get up close. They can get to know the animals far better than from several hundred yards away in the bush." This has involved human contact from when the animals were very young.

I had first met Big Ears and Noddy in the Zambezi Valley in 1987, when they were only a few months old. Zimbabwe's National Parks were responding to the poaching threat by capturing some of the rhino there and moving them to other, safer areas.

Noddy and Big Ears had been separated from their mothers, and were being hand-fed by the relocation team. Noddy already had his nodding habit, which threatened to cause pain to anyone coming close, even though his horn was but a small lump at that age. Big Ears' name is ironical. Rhino mothers tend to be careless and it seems that she allowed a hyena too close to her baby, who had his ears chewed off. He still looks sad about it.

The relocation team was headed by Clem Coetzee who was in charge of the National Parks capture unit. He now runs his own Game Management business, and has refined the technique so he can move elephants, five times the weight of a rhino.

The ability to anaesthetise and transport elephants has become increasingly important, but not because they are endangered like the rhino. The problem, in Zimbabwe, is that there are too many of them, and they cause considerable damage.

Zimbabwe's largest game reserve at Hwange has about 31,000 elephants, but can only support 20,000. Each adult eats about 300kg of foliage per day, so the extra 11,000 animals consume more than 3,000 tonnes every day. In large areas of the park every tree has been uprooted or ripped apart.

Until Coetzee developed his relocation technique the only approach was to cull the elephant – the shooting of entire herds. This caused considerable trauma – to elephant and hunter – and outrage among conservationists.

I met Coetzee again last June when he was called in to move a bull elephant herd that had invaded commercial wheat fields north of Harare, doing vast damage. The farmers were entitled to simply shoot the beasts (in law wildlife belongs to the person on whose land it is at the time), but they opted to have them relocated. In Zimbabwe, this represented a significant change in attitude.

Coetzee used a helicopter to drive the herd out of the bush into terrain which his ground team could reach with heavy vehicles. The team then shot darts containing a cocktail of anaesthetic and tranquilliser in to the animals.

As soon as the elephants keeled over, the ground team drove up to checked that the elephants had not fallen in a position where they might suffocate. The team moved large mats behind the beasts, and rolled each elephant over on to the mats. Some tugged on ropes, others heaved on the legs, until the giddying moment when the legs were vertical – and towering over the workers – then the careful, dangerous moment as they dropped down on the other side.

The mats, were winched into converted shipping containers. Clem clambered into the container, administered an antidote to the anaesthetic, and the doors were closed. The elephant, still under the effect of the tranquilliser, staggered to its feet.

This process was repeated until loading was complete. The animals were driven 500km overnight and released in a remote African communal area where a concession has been established for hunting and photographic safaris.

In Zimbabwe conservation and hunting have to coexist. A problem throughout Africa is how to convert the population to wildlife conservation. For most rural people, wild animals destroy fences, crops, and huts, kill humans, and are a source of meat.

The only answer, which has been adopted in Zimbabwe, is to make it financially worthwhile to preserve the wildlife. Photographic safaris bring in some funds, but the big money is to be made through trophy fees from tourists on hunting expeditions.

Most of this money goes to the local population to upgrade their roads,

Nicholas Dune feeds Noddy the black rhino at Imire Game Ranch

Ron Crittall

schools, hospitals, and provide training and new facilities. Quotas are set to control the numbers shot.

A similar approach is being taken in conservancies. These groups of farms, usually cattle ranches, have amalgamated and restocked with game. They provide sanctuaries for endangered species and utilise tourism.

On one night at Save (pronounced Sah-vay), the largest of the conservancies at almost 1m acres, we heard the most bloodcurdling screams. The staff looked up, smiled and carried on. "It's only the elephants walking into the electrified fence." The elephants were still not accustomed to this shocking restriction on their freedom.

I wanted to see a rhino in the wild, so Roger Whittall, of Humani Ranch (one of the conservancy participants), sent out some trackers. After two days with little success we found a rhino strolling through the bush. It was a warm feeling, tempered by the fact that this rhino had no horns.

It was even sadder than Big Ears with no ears. It is National Parks policy to de-horn all the rhino. The objective of the poachers is the horn, so the theory is that if there is no horn the animal will be left alone. Unfortunately the poachers are still killing every one they find, to build up the value of their stockpiles. Surprisingly, Big Ears and Noddy still have their horns, although Noddy's has been blunted to minimise the damage caused by his incessant bobbing.

Our next stop was the Bubiana Conservancy. This has Zimbabwe's largest concentration of black rhino, with about 50 of the beasts roaming the bush there.

Gary Koen, manager of Barberton Lodge, and I sat by the water hole as the light faded. A warthog trotted agitatedly back and forth, wanting desperately to get at the hay next to the water, but worried about us. His courage growing, he edged close enough to feed.

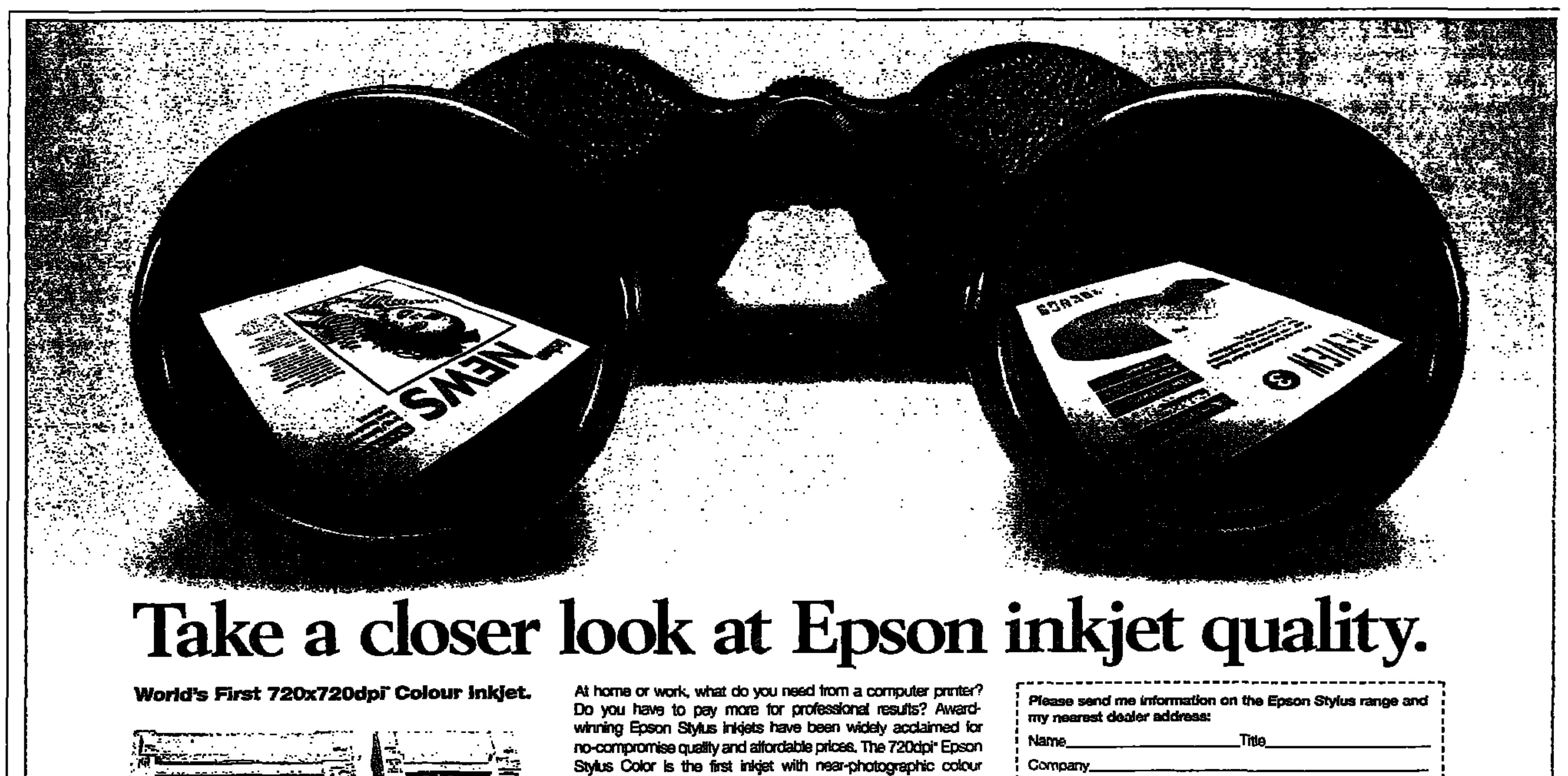
Then we became aware of a larger bulk moving through the gloom. From the edge of the clearing. The warthog heard a sound and whirled around – to face the approaching rhino.

For several seconds they just stood looking at each other. Warthog and rhino. Amazingly, the rhino backed down. He dropped his head and turned away, leaving the field, and the hay, to the warthog.

Rhino tend to be solitary, which makes finding them that much harder.

Elephants are more numerous and gregarious, and there are few things in this world to beat watching a large herd, with their sense of community and care for the young. Observing such a herd, with the babies scampering between and behind the legs of the adults, taking their evening drink on the shores of Lake Kariba as the setting sun catches the distant ranges, is magical.

Incredibly, in spite of poaching, it is still possible to see rhino as well as elephant in the wild. And there is the sheer privilege of being able to get close.



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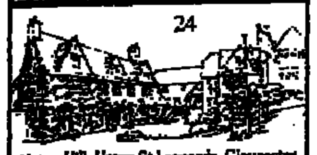

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مكبرة من الأصل

Palmyra: the lost city of Queen Zenobia

Ian Rutledge enjoys the relatively unvisited ruins of a city once thought to have been founded by King Solomon

In 1691, English merchants in Aleppo received strange reports of wonderful ruins in the middle of the Syrian desert: a magnificent city which would out-rank the classical sites of Greece and Rome in both size and beauty.

After fitting out an expedition, and crossing the trackless wastes of the Syrian *badiyah (steppe-desert)*, they were rewarded by the discovery of the "Tadmur in the Wilderness", the lost city believed to have been founded by King Solomon and later ruled over by the remarkable Arab Queen Zenobia. Today, the city is better known by its Roman name, Palmyra.

Sceptics still questioned the existence of this almost legendary city-state until a second, meticulously planned expedition, led by Wood and Dawkins in 1751. It carried out a two-week architectural survey which was published in London two years later. They said that Palmyra contained: "The greatest quantity of ruins we have ever seen."

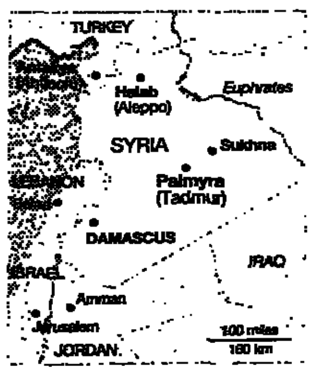
When the Reverend J.L. Porter visited Palmyra more than 100 years later, little had changed. Few European visitors had reached the site in the intervening period but the location had lost none of its power to amaze.

Porter had reached Palmyra by camel after what he described as a "somewhat adventurous" journey. Its undertaking, he conceded, had been "a little rash", that is to say that four men on three camels crossed 100 miles of desert swarming with bands of marauding Bedouin.

Today's visitors can spare themselves these excitements by taking an air-conditioned coach from Damascus bus station. It reaches Palmyra in a mere three hours before proceeding to Deir Ez Zor on the Euphrates. However, in spite of this easy access, not to mention the fact that it only costs S£155 (about £2.45), Palmyra still remains relatively ignored by European tourists, and especially by British visitors.

Obviously, western perceptions of middle eastern politics have something to do with this, but the only danger of sequestration which might beset today's unwary tourist, is to be dragged into the first small hotel you pass, offered a glass of tea or a slice of melon and begged to take a glance at the cheap but clean rooms on offer.

However, the Syrian authorities are working flat-out to develop Palmyra's tourist industry – and are beginning to see the results of their efforts. Palmyra, once a cluster of hovels within the walls of one of the temples, is now a thriving community of 30,000, a large proportion of which is involved in the nascent tourist industry (although agriculture and phosphate-mining are still main sources of local income). In addition to the wonderful ruined city, covering 10 sq km, there is the Valley of the Tombs, two museums, an oasis with olive trees, date palms and pomegranates, and a medieval Arab castle perched on a treeless, almost perfectly conical hill overlooking the town.



Amin Abu Shaamat, Syria's minister of tourism, is optimistic about Palmyra's future but said he thought it was important to expand the variety of attractions in the locality.

These will soon include camel racing and a folklore festival as well as camp-sites and higher-quality hotels. Nevertheless, the ruins will undoubtedly always remain the principal magnet for tourists.

If possible you should go to Palmyra independently and arrange your own programme: forget about those 12-day "see everything there is to see in Jordan and Syria by coach" holidays upon which you would be lucky to stay for 24 hours in Palmyra. The place is worth at least a three-day stay – I stayed for five and did not see everything.


In spite of destruction and dereliction, the city of Palmyra contains some of the most outstanding buildings of classical antiquity

John Hatt/Hutchison Library

Before you set foot in Palmyra you should read up on the city's history. (Worthwhile is the semi-official *Guide To Syria* by Afif Bahnassi available from Avicenne Bookshop, Damascus.)

It seems the biblical account in Chronicles, of King Solomon founding "Tadmur in the Wilderness", which so intrigued Porter and other religious 19th century visitors, is unfounded, or at least refers to a different Tadmur by the Dead Sea.

Palmyra's real claim to fame lies in its identification with the Arab Queen Zenobia who turned this trading city into a military power strong enough to challenge Rome in AD271.

Already an important trading settlement at the beginning of the Hellenistic period, by 41BC Palmyra had become wealthy enough to merit an attack by Mark Antony's cavalry, raiding for plunder.

By the reign of Tiberius, Palmyra had become a Roman subject state, flourishing from its geographical position as the nexus of intercontinental trade with the far east.

The second century AD was the golden age of Palmyra and under Rome's Severian Dynasty (AD193-235), partly of Syrian origin, its status improved and its trading activity extended from China to Italy.

By the third century AD Palmyra had become almost an independent state and the key ally of a declining Roman Empire battling against the new Sassanid empire of Persia.

After the Roman Emperor Valerian was defeated and captured by the Sassanid King Shapur in AD259, an Arab Prince of Palmyra, named Odainat, led a Palmyrene army of camel corps and cavalry against the Persian ruler, throwing him back over the Euphrates with much loss of life and material. In gratitude Gallienus, the new Roman Emperor, proclaimed Odainat *Dux Romanorum*, chief general of the armies of the east and "corrector" of the east.

Around AD269, Odainat was assassinated at Emesa (modern-day Homs) and his wife, Zenobia, took power. She ruled as regent in the name of their son, Wahballat. Zenobia was, by all accounts, a brilliant stateswoman, soldier and intellectual as well as being famed as a beauty fit to rival her claimed ancestor, Cleopatra. She spoke Greek and Egyptian as well as the local Aramaean, and regularly joined in military exercises with her troops.

Under her rule Palmyra grew strong enough to threaten Rome and, in AD270, Zenobia's armies conquered Egypt and advanced north through Anatolia to the Bosphorus.

Meanwhile, the able and energetic Aurelian had been proclaimed Emperor and in AD272 his troops defeated Zenobia's outside Antioch. The Palmyrenes withdrew towards Emesa where Zenobia effectively laid claim to the whole of the Roman Empire by declaring her son "Augustus".

Her troops were again defeated on the plains of Emesa and her army retreated to Palmyra. During the siege which followed, Zenobia tried to escape to Persian territory but was captured on the banks of the Euphrates.

Shortly afterwards, in August AD272, the city surrendered. Zenobia is reputed to have been taken to Rome and paraded through the streets in golden chains.

In her absence, a group of Palmyrene notables rebelled and slaughtered the Roman garrison in the city.

Aurelian swiftly returned, entered the city with little resistance and allowed his troops to pillage it. Thereafter the city only recovered partly under the Byzantines and Omayyads and fell into total abandonment under the Abbassid dynasty, whose Islamic empire was centred on Baghdad.

The ruins narrowly escaped further serious damage when Palmyra was the site of the one of the least known and perhaps most unlikely land battles of the second world war when British troops, advancing from Iraq, attacked the Vichy French garrison in the town in June 1941.

In spite of destruction and dereliction the city of Palmyra contains some of the most outstanding buildings of classical antiquity. The largest is the Temple of Bel, the principal Palmyrene divinity, associated with the Greek god Zeus and Roman Jupiter. The Temple proper is surrounded by a vast courtyard (210m x 205m) which was home to the local Bedouin before their eviction by the French colonial authorities during the 1920s.

Almost adjacent to the temple there begins what is probably the most striking architectural feature of the whole city – and undoubtedly the one which has most impressed European visitors since it was first glimpsed by those Aleppo-based merchants in 1691 – the great colonnade.

This main avenue, 1,200 metres long, lined with porticos in hard white limestone, runs east to west and links the Temple of Bel to the magnificent monumental arch.

Passing through the middle of the official quarter of the city with its theatre, baths, agora and other public buildings, it eventually reaches the tetrapylon, four groups of four massive columns, heavily restored but still including sections of one of the pink granite columns of which it was originally constructed.

At this point the great colonnade suddenly changes direction by about 15 degrees to the north before continuing for a further 500m. This somehow adds to the impact of this, the central architectural feature of the city.

Outside the city lie the mysterious and uniquely Palmyrene tomb towers and crypts. The former are up to five storeys high and were the resting places for successive generations of the leading merchant families of the city. It is from the sculpture and artwork found in these tombs that we derive most of our ideas about Palmyrene culture.

And finally, what of Queen Zenobia? Why does our popular knowledge of the ancient world encompass so little of her remarkable life and character?

Was it perhaps, as suggested jokingly in Bahnassi's guide, that her nose was shorter than Cleopatra's? Certainly, at the time of her confrontation with Rome, Emperor Aurelian had no doubts about her stature.

To the senate's ironic reception of his triumph over a woman, Aurelian is reputed to have said: "Ah, if they only knew what a woman...and what would history have said if I had been defeated by Zenobia?"

TRAVEL NOTES

Ian Rutledge travelled to Damascus by Czech Airlines (tel 071-255 1898) and while in the Syrian capital stayed in the Damascus International Hotel. Travel to Palmyra was with Damas Tours and in Palmyra he stayed at the two-star Citadel Hotel (Fundouk Al Qal'a) (S£800 – approximately £11 per night for a double room). A good meal in Palmyra costs about £5 per person.

Up and down the Yorkshire dales

From the grim and eerie to the hauntingly beautiful – **Christopher McCooey** discovers walking country

The Black Bull at Reeth has a living whoopee cushion in the bar. He is called "Secky" (short for "Secundus" because he is the second cairn terrier to occupy pride of place) and spends much of his time curled up on a piano stool next to the fireplace in the front bar.

Walkers who come in from the moors are advised neither to dump themselves nor their packs on the hairy cushion.

The dog belongs to Bob Sykes – qualified accountant, legendary drinker (in his time), and co-owner, with his wife Liz, of the traditional Yorkshire inn. Scruffy, small, unshaven and impish, Sykes talks with wild gesticulations *of his arms* – yet his unsophisticated welcome is warm and genuine. Visitors do not just stay at the Black Bull, they experience it.

And Reeth is fine as a base to explore Yorkshire's most northern dales in the national park. The large village occupies a strategic position where the long side-valley of Arken*garthdale joins Swaledale.*

It is right in the middle of country made famous by two part-time writers – one a civil servant, the other a vet – both of whom were born elsewhere: Alfred Wainright, in Lancashire, and James Herriot, in Scotland.

Wainright's *Coast to Coast Walk* passes right through Reeth. From the upper, western end of Swaledale, he suggests two routes: in bad weather he advises walkers to stay in the company of the *Swale, by country roads and* riverside paths. This he calls the royal way to see Swaledale.

The fair weather route is to go up on to the moors from Keldat, the head of the dale, and walk along the higher ground through the lead mining country. Despoiled, scarred, tortured – are all adjectives that come to mind to describe the landscape. In places it appears as if bombed on a massive scale, yet the ravages were done by men working with bare hands and primitive tools.

The mining areas are certainly grim and rather eerie but hauntingly beautiful nonetheless with bridges, tunnels, shafts, kilns and mills – most in various stages of dereliction – all constructed from the grey stone of the area. Over centuries, probably since Roman times, lead was hacked from the ground with absolutely no regard for how the land would or should look. The lead miners simply came and plundered.

One technique was called "hushing" and used water as a primitive bulldozer. High up on the valley sides streams were dammed and, when a sufficient body of water had been held back, the dam was suddenly breached. The sudden release of water scoured the hillside, sweeping away the top soil, and, with luck, would reveal veins of galena.

At its peak, the dales of Swale and Arkengarth pro*duced 6,000 tons of lead annually* and many of Europe's abbeys and churches used Yorkshire lead.

By the middle of the last century, the industry was finished, the dale mines unable to compete with Spanish mines where the lead was more abundant and more easily worked, and Spanish lead also contained the bonus of silver.

Some of the miners stayed on in the dales to farm, and much of the landscape in the valleys that you see today, dates from 18th and 19th century farming practices.

Fields were demarcated by arrow-straight dry stone walls and barns were built, the bigger ones for threshing the corn, *the smaller ones for over*wintering cattle. Enclosing the land was the way to improve it, and better and more scientific management saw yields of crops and weights of animals improve sharply.

The dales provided meat and wool, which accounted for the important *local* industry of knitting, especially stockings, in the days when men wore breeches and hose. Sheep and cattle remain important but the upkeep of traditional stone walls is costly. Mechanisation and economies of scale mean many of the smaller barns no longer serve useful purposes.

The National Park authority and English Heritage have stepped in to help preserve the countryside. Since April 1989, 130 barns in Swaledale and *Arkengarthdale (out of a total* of about 1,400) have benefited from some form of grant aid for renovation and there have been 26 grants for walling projects.

Throughout the National Park there are about 1,200 farms and the authority runs a farm and countryside service which acts as broker for the many different schemes and financial grants available. The aim is to encourage land management that is sympathetic to conservation while maintaining farm viability.

Such practical help must please the Scottish vet James Herriot who still lives and works, albeit part-time, in the area. Herriot did to Yorkshire *what Mayle did to Provence;* but reading the former you sense it was more by gentle luck than the crafty judgment of the latter. There are places that will forever be associated with the vet because of the enduring popularity of the TV series and films.

On the minor road over the hills between Arkengarthdale *and Swaledale is the water* splash that will, in due course, be on the Ordnance Survey map as Herriot's Ford.

In the tiny village of Langthwaite in Arkengarthdale is "Herriot's" hump-backed bridge. A word of warning here: the proprietors of the nearby Red Lion have strict rules for their establishment.

A notice on the door spells it out: "Gentlemen, please remove your hats and caps when entering this bar. No dogs or dirty boots." And don't think you can relax and enjoy yourself once inside: the matron/landlady/maiden aunt admonished me when I got my crib board out: "I'm sorry you can't play cards in here."

It is better to go further up Arkengarthdale – in fact right to the top where the welcome is more in keeping with an inn that bills itself "The Highest Pub in England". Even at 1,732ft, the Theakston's Old Peculiar comes at a down-to-earth price.

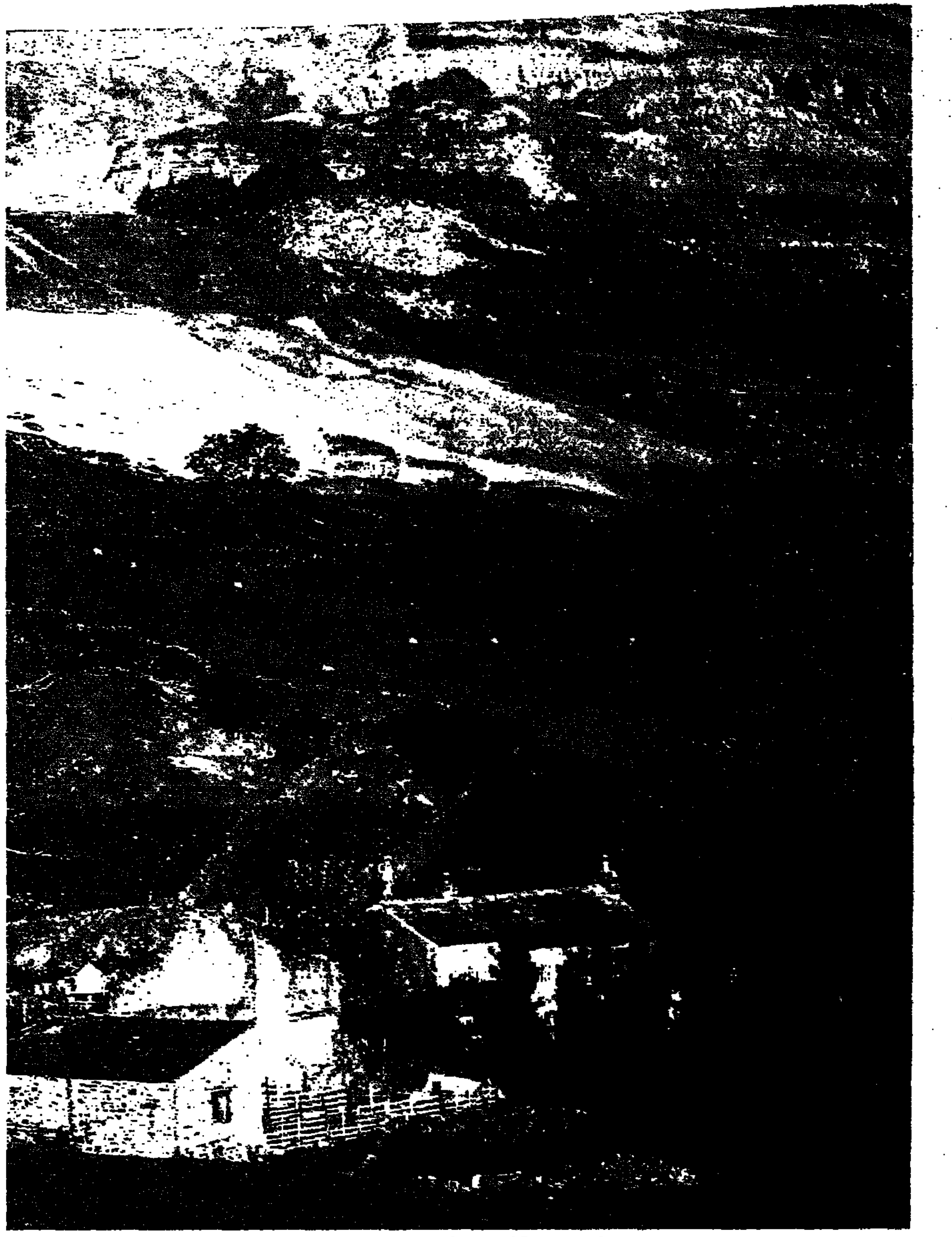
Astride the Pennine Way, *and a welcome break for those* who walk England's spine, the Tan Hill has always been busy in spite of its remote position. Here was the crossing point of pack-horse and cattle trails.

The development of rail and road transport has meant that the travellers and drovers have been replaced by tourists and hikers. It also has its own coal supply.

WHERE TO STAY

The Black Bull, Reeth, Richmond, North Yorkshire. Tel: 0748-884213. Bob and Liz Sykes provide bed and breakfast from £16 per person per night.

Swallowholm Self Catering Cottages, Arkengarthdale. One- and two-bedroom cottages available year round. Prices vary according to size and season but start from £75 per week. Contact Mike Hutton, Hagg House, Cotherstone, Barnard Castle, Durham DL12 9QJ. Tel: 0833-650270.



Arkengarthdale and Swaledale, country made famous by two part-time writers – a civil servant and a vet

Christopher McCooey

Skiing / **Arnie Wilson**

Canada's cream on top

A line on the map has blessed Canada with some of North America's finest mountains: *if the line diving the US and* Canada had been drawn an inch or two higher, Washington State would have netted the cream of Canada's skiing and rivalled the best of Colorado and Utah.

Instead, British Columbia has some wonderful mountains and skiers in Washington – with a dozen ski areas of its own – often make forays into Canada.

With such ranges as the Monashees, Cariboos, Selkirks, Purcells and Kootenays, southern BC teems with ski resorts and helicopter skiing terrain. There are 17 ski areas within easy reach of the border, not counting the all-powerful *double-attraction of* Whistler/Blackcomb, itself a mere 10 miles from Vancouver.

Although Whistler village is unusually low (2,140ft), it has the highest vertical drop in North America (5,020ft) and usually receives something like 350 inches of snow a year. Being so close to the Pacific, snow conditions can be heavy *at lower elevations, but change* dramatically as you get higher. It is not unusual to find rain in the village, wet snow a little higher and magnificent powder *at mid-mountain and above.*

As you move further east, however, the snow tends to become considerably drier. Red Mountain, for example, prides itself on some of the deepest and steepest powder in Canada. Skat Peterson, one of Red Mountain's six owners is fond of saying: "At Red Mountain a snowflake stays a snowflake for days."

With the exception of Whistler, Red Mountain is arguably the best of the resorts in British Columbia, but Panorama and Big White – with some of the province's highest skiing – and Silver Star and Apex are certainly worth a visit.

In Alberta, in the spectacu*larly beautiful Canadian* Rockies, Banff and Lake Louise dominate the skiing. Lake Louise is owned by Charlie Locke, a mountain guide who rather unexpectedly made a fortune from cattle, oil and the stock exchange – hence the name of his company, Locke, Stock & Barrel, which also owns the small but scenic ski area of Fortress Mountain.

Locke was the first man in winter to climb Mount Assinaboyne (Canada's "Matterhorn") *and Mount Victoria, a huge* monolith which dominates the view across the frozen lake from the perfectly located Chateau Lake Louise.

With more than 50 trails spread across 4,000 acres of terrain on four mountain faces, and dramatic scenery encompassing a dozen peaks in excess of 10,000ft, Lake Louise is Whistler's only serious Canadian rival. Its vertical drop of 3,257ft is considerably lower, and in spite of a much higher base – 5,393ft – Lake Louise receives less than half Whistler's snowfall. But it makes plenty.

Neither grooming nor snowmaking is an issue in the *heady world of Canadian heli*copter skiing. Canadian Mountain Holidays lodges provide cosy, friendly and intimate accommodation with little else on offer except meals, sleep, companionship and scenery in such celebrated mountain ranges as the Bugaboos, Cariboos and Monashees.

Tree-skiing – highly sought after by many heli-skiers – is mainly in the Cariboos. The Monashees offer more rugged, glaciated and usually treeless terrain.

Another operator, Mike Wiegele heli-skiing, is based in the remote town of Blue River, in the middle of the British Columbia wilderness.

Among regular Wiegele clients are the so-called "Terminators" who strive to set new daily and weekly records for vertical feet. Their best so far is 304,000 vertical feet in a week; one snowboarding group achieved 114,703 feet in a day.

Both operators make safety their highest priority: helicopter skiers must attend safety procedure lectures at which alcohol is banned.

Wiegele has only one base, but it covers an enormous expanse: more than 3,000 *square miles* of the Cariboos and Monashees. In prime conditions it is possible to achieve 6,000 vertical feet from one run.

For enormous expanse also read enormous expense: a seven-day package with Wiegele costs almost C$4,000. CMH ranges from C$2,900 to just over C$5,000, depending on location.

The chairlifts of the gods

Kevin Pilley finds little is sacred when the ski bug bites

Once the skiing bug gets into your bloodstream there is no getting rid of it. And last year, I fell victim to a rare but particularly virulent strain. I went to Greece.

It was not its snow record that attracted me, nor the quality of its runs and piste maintenance (all high) but because it was cheap. Very cheap. Some 30 per cent cheaper than elsewhere in Europe.

Greece is the place to go if you want to meet other budget-conscious winter holidaymakers. And it is a place where nothing is sacred. The home of the gods has become a ski resort and the gods themselves have been turned into chairlifts.

A 2½-hour Hellenic taxi or bus drive from Athens, through thousands of fir saplings and seemingly thousands of red traffic lights, takes you to Mount Parnassos Ski Centre.

It attracts 10,000 Grecian ski enthusiasts every weekend from November to March. In midweek, however it is practically deserted.

One of the most important spiritual and religious centres of the ancient Greeks has become the playground for modern-day olive oil magnates and supertanker millionaires. It is about to be discovered by the British market.

Built by the Greek National Tourism Organisation and opened in 1975, Parnassos consists of two centres – Fterolaka (1,800m) and Kellaria (1,950m). Both are connected by series of gondolas, lifts and tow-bars with names such as Aphrodite, Pan, Odysseus, Pericles and Bacchus.

There are 20 slopes with a total length of 14,000 metres. Runs range in difficulty from moderate to difficult, but no really tough ones.

Typically – and the time difference does not come into it – aprés-ski in Greece starts at about elevenses time with compulsory ouzo, Scotch, brandy and a long lunch at a table full of wine bottles.

Greece is not just a summer country. It claims to be Europe's third most mountainous country and has 15 ski centres.

You can ski in eastern and central Macedonia, down Mount Olympos at Vrissopoulos (although you need a special permit as it is inside a military installation) and in the Peloponnese.

But Parnassos is the premier resort offering a creche, restaurant, bar and facilities as good as but less crowded than some better-known European ski destinations.

There are no queues during the week and some form of snow covering is guaranteed. Last year there was skiing until June.

The Hotel Anemolia in Arahova is a good place to stay. A mountain village, it is much less touristy than nearby Delphi, which is very Hotel Zeus and Bar Aristotle.

Its nightlife revolves around the Cinema Club although I somehow found the Cellar Bar – up some stairs somewhere in the middle of town. It has a football table with a vicious slope and a landlord who doubles as the village locksmith.

Buses depart Arahova every morning for Parnassus and the journey time is about 40 minutes – less if the driver remembers the way or does not stop to see how well his aunt slept.

Parnassos makes a useful one or two-day excursion if you are "doing" Greece in the winter but it is probably not the place to go if you want a week's full skiing.

■ *For further information about skiing in Greece contact National Tourist Organisation of Greece, 4 Conduit Street London W1R ODJ (Tel: 071-734 5997). Parnassus Ski Centre (0234-22693-4-5). Olympic Airways (071-846 9080).*

Couture moves close to the body

Avril Groom sees 1950s styles in clinging 1990s fabrics on Paris catwalks

Fortune has handed success to haute couture this year. After seasons of struggling to remain relevant, while young ready-to-wear designers were energetically deconstructing, haute couture now finds itself in the forefront of fashion wave-making.

The soigné, tailored style of *the 1950s* stalks the catwalks for spring this year – and was very much in evidence at the Paris shows this week.

Models are adopting the hauteur of Barbara Goalen or Fiona Campbell-Walter. The clothes are for women who know how to walk and sit elegantly in a hobble skirt and vertiginous stilettoes and the catwalk is no longer a place for scared gazelles – the waifs are having trouble making the transition to hip-swaying, knowing femmes fatales.

But who has the time or inclination to sway around, perfectly groomed, in such formal clothes? Well, the reality is that modern fabric technology makes the new couture nothing like as constricting as it appears.

The advent of stretch, which can be introduced into any fabric – Versace this season mixes Lycra with silk jersey and silk satin – has made a huge difference. Although couture still requires proper structure, this *is now much lighter and more* flexible and is also closer to the body.

Shapes that in the 1950s were merely an ideal are now a reality. Versace uses a lightweight stretch "body", made to the customer's shape, as an under*layer on which fabrics can be* draped or worked; Lagerfeld at Chanel uses a light, flesh-toned, plastic-boned, corset-body to give curvaceous structure to transparent chiffon or organza.

Modern materials can be warm-ironed over pre-moulded cups which mirror the client's shape, to give a smooth, seamless, accurate bustline, which means the clothes no longer create a rigid, idealised figure. Instead, they mould to a figure.

As Carlos d'Souza, Valentino's assistant, puts it: "When Valentino started working for Jean Desses in the 1950s, most women did not exercise and the point of couture was to improve their shape. Now, wealthy women spend time and effort on their bodies and our job is to glorify them."

Yves St Laurent has always been a modernist who has never looked more relevant. His brilliant collection is a balance of contemporary and period touches. His timeless, sharp-shouldered jackets have gone nip-waisted and pertly curvy, his skirts drop to knee-top, while soft satin blouses with gently puffed sleeves and daringly plunged necklines combine nostlagia and bold modernity.

Pillbox hats and ankle-*strapped shoes* have a similar effect on dateless suits. Evening wear includes pastel bias-cut satin, gently gathered *below* the bust, a cloud of brilliant butterflies printed, appliqued and sequinned, and even black lace cocktail frocks with gaberdine peplum skirts cut to echo the revers of his signature dinner suits.

> These clothes are for women who know how to walk elegantly in a hobble skirt and high stilettoes

*Versace has sensibly for*saken his much-parodied gaudiness to concentrate on pure line, proving that he is a very clever cutter. Pastel wool crêpe suits and coatdresses, uncompromisingly knee-length and often with three-quarter sleeves *and neat standaway* collars, look demure. Yet, with skirts emphasising the curve of hip and buttock and narrowing towards the knee, they are devastatingly sexy.

The same applies to pale satin, dolman-sleeved dresses, gently cut on a bias that alluringly caresses the bosom, and to silk jersey chiffon cut 1940s-style but with a clingy near-transparency that fabrics then did not allow.

With satin clutchbags, long white gloves and bright hairbows, the inspiration is pure 1950s, as acknowledged by Versace who remembers his dressmaker mother's similar creations.

Lagerfeld has also been honing his couture technique. With Chanel having probably the most skilled workrooms in Paris, he has produced jackets cut close to the body by removing all interlinings, relying on finely-drawn seams to give shape and movement.

A jacket may consist of 40 pieces and take 400 hours to make. Workroom chief Paquito Sala says: "Moulding these small pieces to the body shape takes maximum handwork for the best fit. Sleeves are cut as close as possible to the client's shoulders and arms, to elongate and flatter."

It is possible even in tweed because the fabrics developed by Françoise Marlin are based on very light, high-tech wools. To these second-skin jackets, Lagerfeld this season adds knee-length skirts in wool, crêpe or satin that again emphasise curves, with back-seaming in an inverted V, or bias-cut. Lagerfeld also revives the full cocktail or evening skirt in a riot of experimental fabrics such as crushed organza or pleated tulle.

Tilted straw hats with feather trims, and stilettoes are period touches that balance the modern bright, make-up. Tiny beads, painstakingly stitched, make monochrome striped T-shirts, vests and fitted shift dresses, look understated and up-to-date.

Valentino, another modern master of beading, uses a base of fine, strong, high-tech silk chiffon that moves fluidly even *when covered in shimmering* Art Deco beading, quite different from the heavy 1920s version that was the original inspiration.

If Christian Lacroix is inspired by ancient fabric he is even more excited by using *light, modern materials to* recreate a period impression and pushes fabric technology to its limits. He has knitted a flexible version of passementerie braid which, to stay light and fluid, needs a special fine lining.

His new collection includes fitted jackets in stiff, striped silk that is moulded lightly by a series of seams so finely sewn as to be imperceptible. He pursues his own version of deconstruction with lingerie-inspired evening dresses contrived to look tastefully *déshabillé*, and, inevitably, alluring.

Lacroix's newly-subtle colour palette of flesh pinks, soft blues and greys – colours also favoured by Chanel and Valentino – looks modern and sophisticated.

More traditional designers find smaller ways to modernise couture. Gianfranco Ferre at Dior, not known for his light touch, nevertheless has a love affair with translucent organza, moulding it into surprisingly soft shapes and using it, as cut-outs or appliques, to lighten severe traditional tailoring.

He also has a happy knack of juxtaposing formal, 1950s-inspired shapes in sombre shades with vivid summery prints, for a draped chiffon halter neck under a severe suit or a bouffant cocktail skirt with a precision-cut black bustier.

Givenchy gets in the modern mood with either bright colour or strong monochrome and uses a sharply-belted waistline to mould the figure. His short-skirted suits and finely-draped evening gowns remain faultless and dateless.

Emanuel Ungaro has wisely reduced his over-decorative fol-de-rols to a sweet puff sleeve (which his society customers love) and concentrates on proving that he can tailor with the best of them.

His favourite monochrome checks look good when 1950s-inspired but modernised with softly-rounded standaway pockets and cheeky bra-style seaming, moulding an emphasised bustline.

Michel Klein at Guy Laroche is of the new generation, a natural minimalist who is reversing the usual process by *adding ornamentation to his* couture collection. To shorts, tiny cropped jackets, and slinky oriental evening wear, he adds the classic couture elements of grosgrain ribbon trim and bows, fine check and tweed tailoring, beading and embroidery.

His craft has a way to go yet but the effect is witty and by and large it works. His approach may, and should, soon be followed by others if couture is to continue being relevant.

A new and undoubtedly younger designer will probably take over at Givenchy later this year. Claude Montana who, after his stint at Lanvin, is very keen to design more couture, is said to be in discussion with a major house and there is even talk of Paris's wild man, Jean-Paul Gaultier, reviving Patou's couture.

Any of these moves would be risky, both financially and aesthetically. But when the alternative is genteel but terminal decline it is not hard to see which way the money behind the labels will jump.

Versace has sensibly forsaken his gaudiness to concentrate on pure line, proving that he is a very clever cutter

Photographs: Niall McInerney

From left: Gianfranco Ferre at Dior – juxtaposition of 1950s-inspired shapes and summery prints; Ungaro's 1950s-inspired (but modernised) monochrome checks; Lagerfeld at Chanel – period touches and modernity; Versace – a look that 1940s' fabrics did not allow ... demure, yet devastatingly sexy.

Practical but pricy

Rolf Sachs, son of Gunther, while still involved in the family businesses (car components, engineering) has become deeply interested in *the world of furniture and furnishing design.*

He has nothing if not a cohesive, homogeneous view which might quickly and easily be described as minimalist. He does not believe in following convention for its own sake but rather in looking for the conceptual essence of what furniture should be.

He sees himself as a deconstructionist – that is, taking the traditional components of furniture apart, seeing them as *separate entities which the* designer and/or the owner can put together again in ways that please him or her.

Near the end of last year he showed his new versions of two and three-piece "suit (sic) chairs" which had separate bases, backs and arm rests allowing (theoretically) the *owners to (re)construct* their own pieces and, perhaps more importantly, to change their mind and reconstruct anew when in a different mood.

His Desk for M (Malevich) clearly comes from the same cast of mind – detachable floating components (in this case fashioned out of maple wood) can be assembled to form a writing desk.

The design that caught my eye – for the personal reason that it is precisely what our house requires – is what he calls, obscurely, Q-b us.

These are, in essence, free-standing cubes made from medium density fibreboard which offer a practical solution to our most intractable domestic storage problem – what to do with our growing collection of books.

The loose, free-standing cubes can be built into any pattern that suits the room, alcove, wall, corner and, of course, to comply with the Rolf Sachs school of furniture design, they can be deconstructed and then reconstructed at will.

Rolf Sachs uses the cubes and arranges his books rather like paintings within the structures. In particular, he has painted the spines of some of the larger volumes in eye-catching colours so that they add to the visual pleasure of the shelving.

There had to be a catch and there is – the price. These cubes would solve our book storage in a trice – I can see them already, beautifully ordered according to author and subject – but the number we would need would cost as much as an antique bookshelf or three.

But, if the urgency of the problem outweighs the difficulty of the price, the cubes come in three sizes – 40cm x 40cm x 40cm or 40cm x 40cm x 60cm or 40cm x 40cm x 80cm at prices of £120, £125 and £130 (exclusive of VAT).

Theo Theo (yes, that is his name) is his agent and they can be ordered through him at No 7 Plough Lane, Dulwich, London SE22 8JL. (Tel: 081-693 5063).

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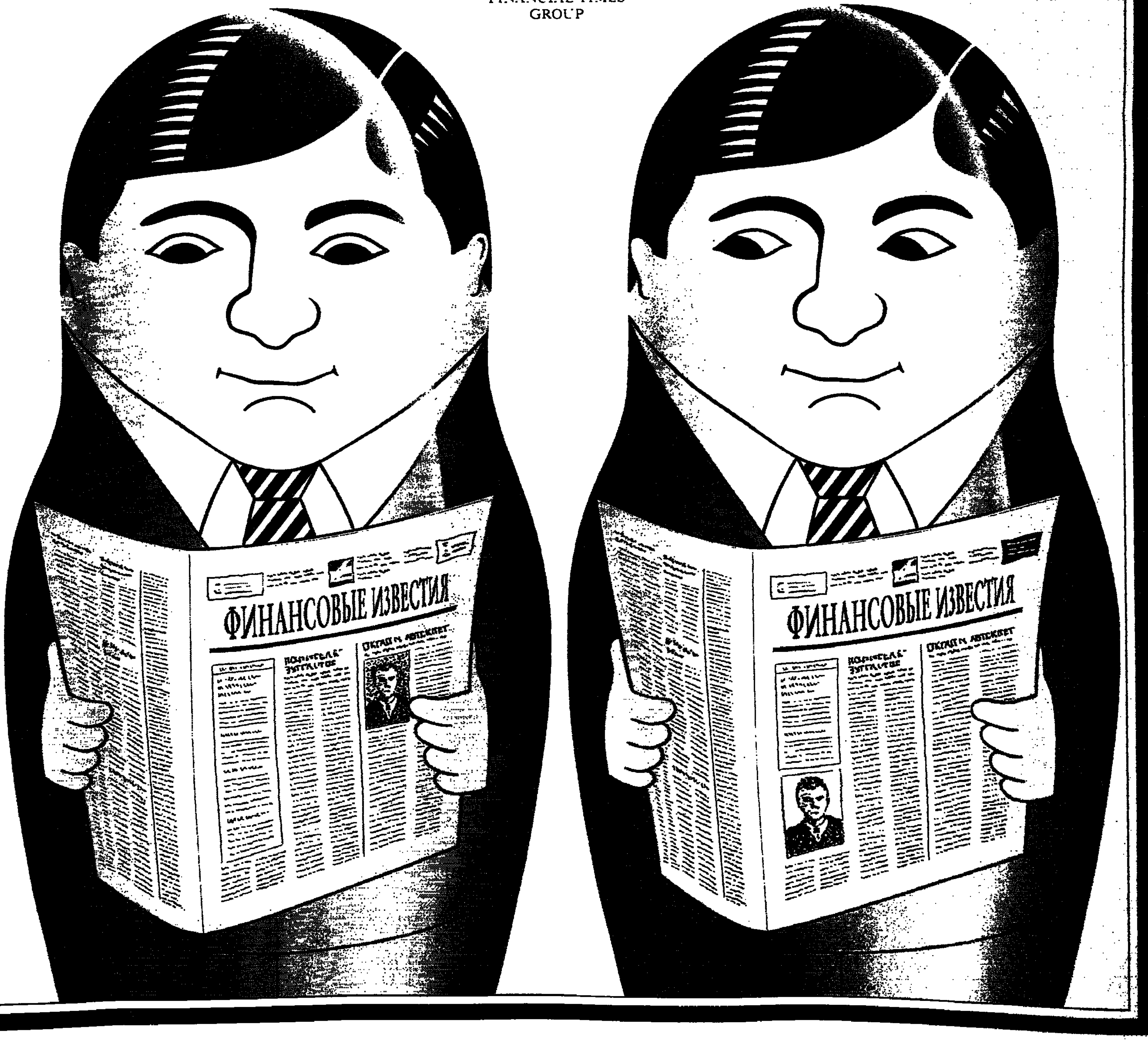


FOOD AND DRINK

Cookery / **Andrew Grant-Adamson**

Rediscovering a taste for veal

It may be a dangerous thing to say at the moment, but I have recovered my taste for veal. Before my house is blockaded by protesters let me make it clear I am not talking about the white, milk-fed meat loved in France and Italy. There is another kind – the rose-coloured flesh we once ate in *England and which remains* an essential in Spanish cooking.

If we returned to roasting stuffed breast of veal and adopted *estafados,* the garlic and *pimentón* flavoured stews of Spain, the problem of exports and crate rearing would simply disappear.

Market forces would see to that. With a demand for veal reared in reasonable conditions there would be no reason to ship the animals hundreds of miles to live out the remainder of their lives in crates.

Like many people I gave up ordering veal in restaurants because I disliked the way the white meat was reared and, anyway, it lacked taste. The roast stuffed joints of childhood had already become an *impossibility: for the traditional* English-style veal had disappeared from the shops.

Mrs Beeton's *Family Cookery* has a reminder of what used to be meant by veal. The 1972 edition says: "The carcass is only sparsely fatted in all except the largest calves and even in these there is not the same percentage of fat as would be found on another meat. The flesh is usually described as pink but the colour is darker than that of pork."

Elizabeth David, writing in *Italian Food,* described the other type of veal, the pale, milk-fed *vitello,* adding that "such meat is practically unobtainable in England."

So long as we eat cheese, pour cream over puddings and *milk into coffee, dairy herds* are going to produce surplus calves which are unsuitable for rearing for beef. They could, of course, be put down at birth and the farmers, deprived of the income from their sale, would raise milk prices. On the other hand, we could relearn how to cook darker, more naturally reared calves.

For me the rediscovery of veal came when I went to live in the mountains of Andalusia. In our small market town, the only meat from cattle available was *ternera,* the red veal from yearling calves. For the choice to include beef or milk-fed veal, *ternera lechal,* we had to drive to the hypermarkets in Granada, 30 miles away on the other side of the mountains.

Most of the meat in our market and shops was pork, the Alpujarra where we lived being famed throughout Spain for air-cured hams and sausages. Whole ceilings of shops were obscured by maturing hams and behind the counters hung festoons of sausages.

There was a bewildering choice of *morcillas,* (black puddings), fresh sausages and *chorizos.*

Chorizo, we soon discovered was not just one sort of sausage but a variety. Every maker had his or her own recipe but the firmer ones were for slicing, the short ones for frying and the longer softer ones for cutting up and adding to soups and stews. The one thing they had in common was a flavouring of *pimentón.* The spice comes in two varieties, sweet and hot, translated by dictionaries as paprika and chilli.

Unless you have a Spanish delicatessen to hand paprika *and chilli will be good substi*tutes, but good *pimentón* is special. It is the taste of Spain.

Sometimes we grew tired of the products of the pig and ate the veal. It was not hung and has less flavour than beef, so needs cooking with herbs and spices. This recipe uses *pimentón* and a whole corm of garlic.

The garlic is partly precooked by spearing it on a fork and turning it over a gas flame until it is well charred. As this can be rather messy it may be better to do it under the grill, over an open fire or in the garden with a blow torch. Once cool enough to handle, the individual cloves are easily popped from the remains of the charred skin. It is worth the trouble for the deep, rich and distinctly Mediterranean flavour it gives this stew. Beef can be substituted for the red veal in my recipe.

ESTOFADO DE TERNERA

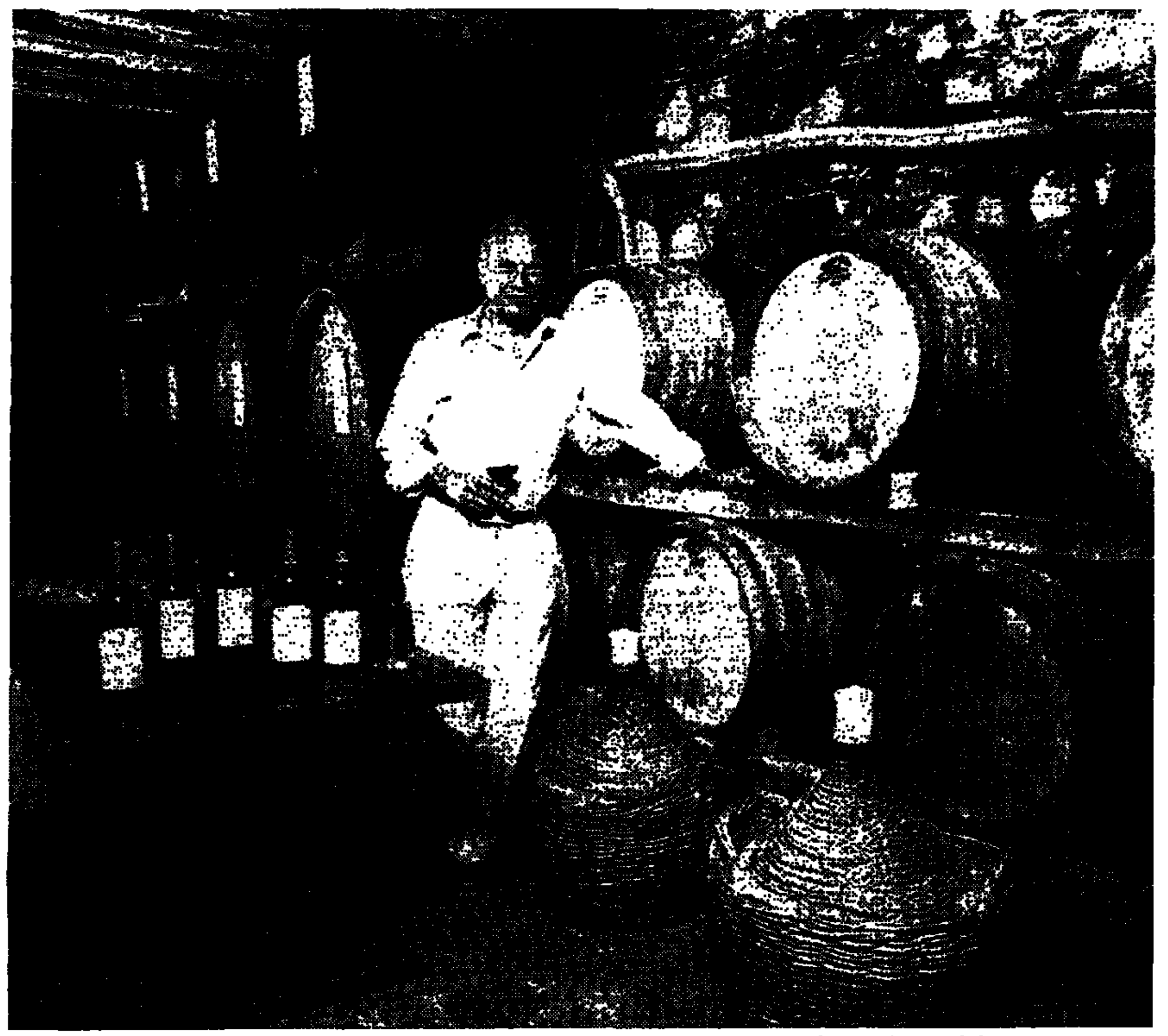
1 kilo (2¼ lb) of red veal; one large onion; 250g (½ lb) of tomatoes; 250g (½ lb) of green peppers; one head of garlic; 50ml (3 tablespoons) of olive oil; 10ml (two teaspoons) of lemon juice ; half a cup of wine; bunch of herbs (Bay leaf, two stalks of parsley and a sprig of thyme); heaped teaspoon of pimentón dulce (or paprika); Salt and pepper

Cut the veal into 1¼in cubes, slice the onions, cut the peppers into strips and roughly chop the tomatoes. Char the head of garlic as described above and separate the cloves from their skins. Put all the ingredients into a pot with a closely fitting lid, bring to the boil and after the tomatoes have cooked down, add water to just cover the meat and vegetables. Simmer for two hours (or until the meat is cooked). Add salt and pepper *to taste.* The sauce will thicken during cooking but more water may need to added.

I cooked this in The Alpujarra with the robust local rosé, but a fairly light red is better than any rosé available in the UK.

In Spain *estofado* is cooked on the top of the stove because most ovens are virtually uncontrollable. However, cooking can easily be completed in a slow oven (170°C, 335°F Gas 3).

■ A Season in Spain by Andrew Grant-Adamson and his wife, Lesley, will be published next month by Pavilion Books (£12.99, 224 pages).



John Dunkley: needs one or more new partners now that he has bought new equipment, land, and has retirement plans in mind

Dreams for sale

The wine world is entering a new phase, says **Jancis Robinson**

Who coined that marvellous phrase 'lifestyle winery'? It sounds quintessentially California but I came across it in New Zealand where it is much more common to be both owner and winemaker.

Lifestyle wineries are those run fulltime by people from outside the wine business, typically with the preconception that it will be considerably more romantic than any other sort of farming. Lifestyle wineries typically have well-tended gardens, carefully designed labels and heavy borrowings.

The lifestyle winemaker is a modern phenomenon. It has been only in the last 20 years or so that winemaking, like cooking, has become a socially respectable, not to say enviable, profession. Running a vineyard is now as common a dream as running a small restaurant or writing a novel.

Before that you made wine only if your father did and you were the son who did not manage to get away. Today even France has its lifestyle wineries, run notably by expatriate Britons in the south west.

When he exchanged his London advertising agency for a patch of Tuscan hillside in 1971 (no borrowing needed) John Dunkley became one of the first *of what* has become a wave of lifestyle winemakers. He was nearly 50 then and for 20 years he and his Italian wife Palmina put their all into making Riecine *one of the most* respected estates in the Chianti Classico zone.

Of the 23 hectares of rocky woodland near Gaiole in Chianti, less than 10 per cent was recoverable as vineyard, a little more devoted to the olives which provide Riecine's oil (although the olive grove is still recovering from the terrible frosts of 1984). Since 1980 Riecine wines have benefited from the advice of consultant Carlo Ferrini, but all the hard work has been done physically by the Dunkleys.

On my first visit to this pretty property in the late 1970s I remember being struck by John Dunkley's credo: "The making and marketing of wine is one of the very few activities left in a complex world of manufacturing and distribution, where the producer prepares his own land, grows his own raw material, transforms it into a finished product, markets it, packages it and takes care of selling and distribution. The satisfaction, or disappointment, at the outcome, is due to the participants and thus it provides unique satisfaction and fulfilment."

But first in can mean first out. Dunkley has no wish to turn his back on this satisfaction and fulfilment but, since his wife died in 1991, he has become ever more aware of the need for some plan for succession. Séan O'Callaghan, a young German-trained winemaker, was taken on in 1991 and now has a small stake in the business.

He has persuaded Dunkley to acquire land that will almost double the vineyard area and, with any luck, avoid a repetition of 1984 when the crop was so poor that only 2,000 bottles were deemed worthy of the Riecine label. New equipment has been bought and plans for *the necessary cellar expansion* approved.

Now all Dunkley needs is one or more new partners. To this end he recently sent out a letter to a dozen old contacts asking for a total investment of about $700,000 (£448,700) for an initial stake of 30 per cent of the business, predicting a post-(Italian) tax return of more than seven per cent with this typically robust observation:

"Winemaking is widely considered such a pleasant activity that profits are not required. We do not subscribe to this idea and believe that the real proof of wine quality is a public's willingness to buy it – again and again – at a price which is profitable to the producer." Riecine's prices are well above the norm, a reflection of their rigorous selection, relatively late release dates and small quantities. They have won more than their fair share of awards and are han*dled by some of the world's* more punctilious importers, although Dunkley is now such a relatively old hand that in terms of media coverage he has been seen as slightly old hat for years.

Dunkley will presumably be followed by scores of similar dropouts from another world who are now running wineries but may be running out of time, or at least energy. The old discipline of hereditary succession can hardly apply to an *estate built up by a single gen*eration – although at least female emancipation in the wine world should have doubled the likelihood of finding a suitable heir.

Even having a dedicated winemaker for a son does not necessarily make for a smooth succession, however. Nick Ryman, who two years after Dunkley's rustication exchanged the family stationery business in Britain for the *Jaubertie wine property in Ber*gerac, south west France, has just sold the estate to his peripatetic son, Hugh, but only after a strong hint from Bordeaux's nth generation Anthony Barton, of Château *Léoville-Barton,* about the virtues of family succession.

California has the greatest concentration of outside investors in the winery lifestyle (if not fulltime lifestyle winemakers). Already scores of them *have been put on the market,* though *often propelled more* by high interest rates and the predations of phylloxera than by anything as simple as advancing years.

Over the next decade we can expect to see an increasing number of wine properties for sale all over the wine world, as more and more first-time lifestyle winemakers begin to acknowledge their own or their balance sheets' frailty. Their successors, however, will *almost certainly face an even* more discriminating market.

■ Riecine, 53013 Gaiole in Chianti, Italy tel: (39) 577 74 95 27. The super-concentrated, youthful 1990 Chianti Classico is £12.79, the 1988 Riserva is £19.35 and the Supertuscan La Gioia di Riecine 1986 is £20.49 from Winecellars of London SW18 (0181-871 2668). US importers are Admiralty Beverage Co, of Portland; Boston Wine Co; and JK Imports of *Pasadena.*

Why Romans are so gutsy

"You will find the *osteria* at the beginning of the Appia Antica, a few doors down on the right." The man's voice became hushed: "You will see an arch, then you go up some steps. There are only ten tables. The owner's name is Sandro. Tell him that Vittorio sent you."

It cannot be easy being a Roman. Maybe it is not as hard as living in Venice, but you still run the risk of having a camcorder thrust up your nostrils each day; and finding that your favourite restaurant is full of scrutable Japanese intoning choruses of *Volare.* Naturally there are some things Romans like to keep to themselves, good restaurants in particular.

It is tempting to try to trace Roman cooking back to the ancients, but apart from the possible appeal of endless cows' udders, which litter the pages of Apicius, such delicacies as dormice, peacocks' brains, mullets' beards and camels' heels seem to have disappeared.

To imagine the true Roman diet you must put all thoughts of the twee, gaily coloured, *prettily presented,* mostly pulse-and-vegetable olive-oil-and-tomato-drenched "Mediterranean" cooking out of your mind. Roman food is literally gutsy, and its uncompromising nature is not always acceptable to outsiders, even Italians. Needless to say sentimentalists and Shoreham demonstrators should read no further.

The abattoir and the business of animal slaughter plays a vital role in the *cucina romana. This is because tripe,* in various different forms, is one of the things the Roman likes best; and unlike good roasting meat, tripe needs to be very clean and very fresh.

The classic Roman tripe dish is *la pajata:* the intestines of a baby calf or lamb which must be slaughtered while it is still weening, for it is essential that the tripe still contains the animal's mother's milk.

Pajata may be eaten as a *main course, or with pasta.* I chose the latter at the Trattoria La Scopettaro in Testaccio. The tripe, exuding a rich but delicate sauce, was concealed under a heap of *rigatoni.*

"The Village" or *Testaccio* is the best place to look for genuine Roman food. It is an atypically drab part of Rome, and for that reason, perhaps, tourists rarely visit it. Here were the old abattoirs and the local restaurants and *trattorie* had *the first choice* when it came to tripe and other innards.

Across the Tiber, in Trastevere, progressive gentrification has robbed a once popular quarter of much of its old character. Pizza restaurants have replaced many of the old dives where one used to find the true food of Rome.

One which has survived intact, however, is the Trattoria da Augusto in the Piazza de' Renzi. According to a Roman friend, Da Augusto has remained unchanged since he first visited it in the late 1960s: the same formica tables and paper tablecloths, the same litre bottles of wine from the Castelli Romani and the same cheap, wholesome dishes such as the *agnello alla cacciatora:* lamb sautéed in vinegar, white wine and garlic.

Augusto is very cheap. If you are looking for something more elegant there is Sora Lella on the Isola Tiberina, the little island in the middle of the Tiber. The restaurant inhabits a medieval tower at the head of the bridge. It has been in the possession of the Fabrizi family for the past 45 years, and has been traditionally patronised by cinema and theatre people.

> *Alla giudea* is a tribute to Rome's Jewish colony, which had its HQ in the ghetto

It was here that I experi*enced another great Roman* speciality: *coda alla vaccinara,* oxtails. Once again the name takes us back to the abattoirs. The *vaccinaro* was the man who slaughtered the animals. As a reward he was given the heads and the tails of the oxen. The latter were then slowly cooked with celery and white wine.

Like most other *cucina romana* restaurants, Sora Lella is a place to experience arti*chokes. The classic treatment* is *alla romana:* stripped of the tough outer leaves, rinsed in lemon juice and braised whole. The alternative is *carciofi alla giudea,* where the artichoke is trimmed and deep fried to be eaten, leaves and all.

Alla giudea is a tribute to Rome's Jewish colony which had its HQ in the ghetto opposite the Isola Tiberina. Rome's deep fried cooking is supposed to have originated there.

These days deep frying is generally limited to a *misto,* served as an *amuse gueule* before the meal. In a restaurant called Da Candido, in Trastevere, I ate *crocchette,* olives and mozzarella in batter and *suppli,* deep fried rice and mozzarella balls, followed by *fettuccine* with artichokes and, another classic, *abbacchio scottadito* (baby lamb which 'burns your fingers'). As it turned out this was not the right Da Candido, yet another illustration of the difficulty of finding authentic Roman restaurants.

Romans are also partial to salt cod. Close to the Campo de' Fiori is Dar Filettaro a Sta Barbara, the equivalent of a London fish and chip shop, which sells deep fried fillets of salt cod and little else. Romans pop in to pick up a piece of fish after doing their shopping in the street market nearby.

The most important restaurant for anyone wanting to get at the heart (or guts?) of Roman cooking is Perilli in Testaccio.

Naturally *pajata* and even testicles are specialities and the restaurant's many fans suggest Monday nights as the best time, directly after the weekend slaughter. I shared a *huge bowl of bucatini alla Amatriciana* with a friend. He got a plate, I the bowl. Then I ate that other great Roman dish *trippa con la menta e pecorino:* tripe with mint and pecorino cheese.

There we met Vittorio, a Sicilian living in the Lateran who adored Roman food, perched over a bowl of *pajata.* Between slurps he spilled out a seemingly endless litany of Roman restaurants and *trattorie which were able to satisfy* his taste for authenticity; little islands of calm where he could escape from the day to day pressures of living in a tourist trap.

■ Information: Trattoria Lo Scopettaro, Lungotevere Testaccio 7, (tel: 574 24 08). Assume L35,000 a head with wine.

■ Trattoria da Augusto, Piazza de' Renzi 15, (580 37 98). L20,000

■ *Trattoria Sora Lella,* Via Ponte Quattro Capi 16, (686 16 01). L65,000

■ Dar Filettaro a Sta Barbara, Largo dei Librari 88, (686 40 18). L10,000.

■ *Trattoria Perilli a Testaccio* 34, (574 24 15). L35,000.

■ Giles MacDonogh stayed courtesy of Abercrombie and Kent's (071-730 9600) Italian and French Journeys programme.

Giles MacDonogh

Gardening / **Robin Lane Fox**

Climbing the north face

On stormy winter days in England, climbing roses try to free themselves, winter jasmine shakes in the wind and against the window, I hear the agitation of magnolias, scraping their evergreen leaves on the glass. Wherever you garden, the house has four walls: few of us make the best use *of them, so how do we* improve the result?

Wall-planters make obvious mistakes which I will no doubt be repeating well into the next century.

Try to match the colour and height of the plant to the type of wall; do not put scarlet roses on new red brick; do not put high wisteria or banksian roses on a low facade; if a climber prefers to face south, do not distress it on an east wall on the grounds that otherwise you would not have it. Try to balance growth which is dead in winter with evergreen leaves which are not.

Remember that most climbers, including roses, do not climb in nature and that many more shrubs than we realise will also grow vaguely "against a wall".

Never be ungenerous: when you plant a climbing rose, plant a clematis beside it: remember that the soil at the *foot of a wall* is usually one of the driest places in the garden and pay special attention to any clematis during a hot summer.

If a rose or a shrub becomes bare at the base with age, it is usually better to grow something across it rather than to hack it down and spoil it for the rest of its life.

All four aspects are idiosyncratic but north walls are the worst, especially if they are overhung. In dark places, ivy is probably the only bet but elsewhere, climbing Hydrangea petiolaris will cope with most problems, clinging as it climbs and colouring to a beautiful yellow in autumn.

It needs patience but it is equally good on a low wall beside the dustbins. Everyone wants north-facing roses to go with it and if only the single-flowered Rose Mermaid was hardy it would be the answer because it is evergreen and long-flowering. It survives most winters but a very hard one will usually kill it and oblige you to start again.

My alternative is the double white Mrs Herbert Stevens, which is not too wide, totally hardy and surprisingly willing to tolerate a north wall.

Pauls Lemon Pillar is wider and also willing but I marginally prefer the scented Emily Gray, which ages to pale yellow. She needs height, as does my favourite north-facing pink form: the small-flowered Climbing Cecile Brunner was decimated by the 1981-82 winter but it is wonderfully vigorous on broad, sunless spaces, although it flowers only once.

These roses tolerate shade but we tolerate something if we do not really like it: all of them prefer to face west. Wherever you put them think architecturally, too. We tend to think of walls as vertical trellises for flowers and in small courtyards I suppose they are nothing more.

In broader spaces, however, they are also the place for plants which tie a house into its surroundings. Flowers are not everything and I wish I had remembered more often to practice what I believe. Well-furnished walls help a house to sit properly. They make a buttress and help the eye to tell that the house is not an alien box, at odds with the garden around it.

On a difficult north wall, the best buttress is the glossy green Fatsia which grows up to 6ft tall and leaves room for a clematis to show on the remaining wall above it. Cotoneasters found depressing companions but the yellow-berried Exburyensis is out of the ordinary and is evergreen if you do not prune it back too tidily.

I also like the vigorous forms of winter-flowering Mahonia, especially Charity, with its clean leaves.

East walls allow you my ace card, the cream-variegated Rhamnus, which is evergreen and almost totally hardy: it is revelling in this wet winter.

I like to match it with two scentless, shade-loving honeysuckles, Dropmore Scarlet and the big yellow Tragophylla. On the buttress principle, I would go for evergreen Osmanthus or a strong viburnum like the scented Burkwoodii wherever a shrub could fall forwards.

Winter jasmin looks its best on that awkward space below low- window-sills and if the height is really limited I like to use silver-variagated box, lightly clipped.

Oddly, I find south walls the most awkward. They are special, desirable and it is rather hard to live up to them. Usually, they are the main front of the house so that too much width will interfere with the terrace or main windows.

We have to go upwards, not outwards, and to take risks with things like white solanum, the rapid ceanothus, massive yellow banksian roses and curious beauties like Mutisia or the lovely Bomarea, which are essential extras to twine through low shrubs in mild gardens.

In London, you are evidently safe with mimosas, after the deluge of photographs of sky-high plants in sheltered gardens which you sent me after a piece last year on mimosa in Italy.

On lower spaces, up to 3ft high, try the silver grey Teucrium fruticans which can be reined back into a fairly tight shrub and looks enchanting when it recovers yearly from a slight distress in cold winters.

For me, though, it has to be a magnolia and, on the principle of evergreen furnishing, the choice is simple, a glossy green grandiflora. Yes, it spreads across windows unless you prune the side-branches; yes, you must have a named form, Exmouth being the commonest and Maryland the quickest; yes, it drops big leaves in early summer and if it becomes too dense the flowers are lost.

The stupidest reason to hesitate is that it is too slow. After seven years in my ill-favoured garden, my Exmouth has a dozen flowers in late summer and is 8ft high, heading upwards. When I planted it, everyone thought I had suddenly discovered patience. Pruning does not seem to hurt it but it sends it upwards with renewed vigour.

The shining leaves, waxy flowers and lemon scent have class. In winter, it scratches amicably on the window panes, as if to remind me that we will pull through together and that of the two of us, I will be the one who goes first.

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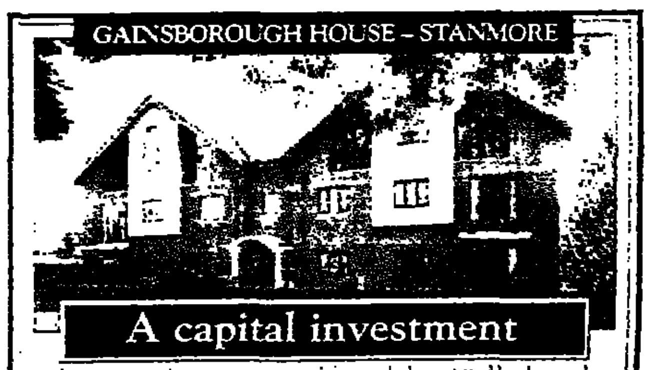

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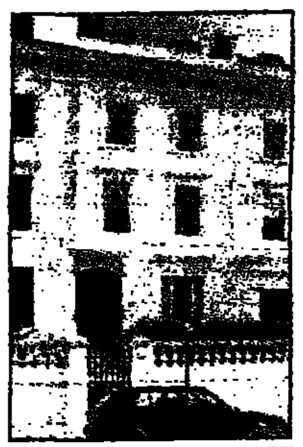

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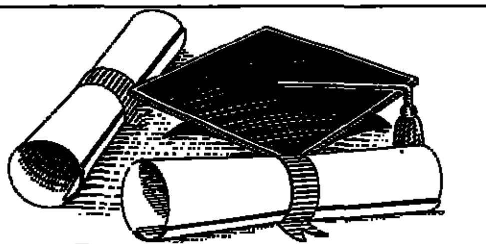

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PROPERTY / SPORT / MOTORING

Property / **Rosalind Russell**

House-hunting with a computer

Wardsbrook Farmhouse was nearly 100 years old when the news arrived in Ticehurst, East Sussex of the defeat of the Spanish Armada. The timber-framed house was the country home of the Common Sarjeant at Arms of the City of London during the reign of Elizabeth I.

News of England's victory would have taken several days to travel from the channel to the Queen's court and ripple out to the counties. Some 400 years later, it takes just seconds for details of the Grade II* listed house to reach potential buyers in London, Hong Kong or Frankfurt, thanks to computers.

Very soon, driving miles to an estate agent's office in your chosen area, and emerging with a handful of brochures, may seem quaintly old fashioned.

It has been possible for some time to transmit details and colour pictures via computer, to another branch hundreds of miles away. But further advances may change radically the way properties are bought and sold.

Using software called Progress, General Accident Properties' Connections system will eventually link its 350 branches nationwide. Details of properties for sale will be matched to the needs of house hunters in the same way as computer dating works. At least, that is the theory.

For staff relocating, the computer could save hours spent trawling around unfamiliar areas. A local branch will supply all the necessary information, including an area profile. Software programmes will incorporate maps showing the house in context, with schools, swimming pool, church and railway station.

Using a Kodak photo shop, film of a property for sale is processed and simultaneously put on to CD-Rom. Back at the branch, the images are taken from the CD and loaded on to hard disk. The information and photographs can then be accessed by other branches while a potential buyer is sitting in front of the screen.

John Dootson, of Computer Applications, part of the team working with GA, is experimenting with possibilities which 20 years ago would have been unthinkable. Imagine you are walking back to the car after an evening at the theatre. Strolling by an estate agent's window, you are struck by a photograph of a beautiful Georgian house.

It is exactly what you are looking for but, of course, the branch is closed for the weekend. Taking your personal post code identity card, you swipe it through a decoding box which stores your address in its memory. A touch sensitive pad on the other side of the plate glass window has numbers on it. By pressing the glass in front of a number, a screen immediately behind shows more photographs and details about the house. In the morning, the agent, already primed, will contact you.

Dootson says: "We should be able to put the technology of touch screen into GA branches by the end of this year. By putting a finger directly on the screen, instead of using a keyboard or mouse, a customer will be able to feed in details of his requirements and price range. It is specially designed to avoid computer fear."


Wardsbrook Farmhouse: restored under the guidance of English Heritage and the University of London

There are of course, enormous security implications. Not everyone wants the sale of his home to become public knowledge, never mind having photographs of the drawing room with its valuable antiques beamed from a High Street window. Dootson agrees.

To save it from becoming a burglar's paradise, there would not be any interior shots and full addresses might not be revealed, he says.

The next step, Dootson predicts, is viewing homes using virtual reality technology.

Some agencies have flirted with video as a selling tool. But an agent using a hand-held video camera often resulted in jerky, fly-on-the wall style film that captured all the faults and none of the atmosphere.

Statons, an agency covering the commuter area around Barnet, north London, decided instead to have professional videos made to sell the area, rather than individual homes.

For example, viewers are introduced to the Hertfordshire countryside in Pathe News style, with a voice – occasionally given form on screen as a businessman getting out of a Bentley – pointing out the accessibility of the M1. But it does not include traffic noise.

Instead, soothing background music complements views of the garage for the Rolls-Royce, cricket on the green, tennis, stables, executive helicopter service, churches and schools.

The videos, says Nick Staton, are sent to potential buyers in embassies, or those staying in hotels while in London on business. It is rumoured that American actor Sylvester Stallone viewed them recently in his London hotel. Such an approach suits public figures such as Stallone, who is unlikely to drop in personally to the St Albans branch of Knight Frank and Rutley.

"We point out the best restaurants, the local history," says Staton, whose clients include pop stars, television personalities and top-flight footballers.

The computer literate may even buy a software programme which, it is claimed, could ease the stress of moving. A programme called Home is one of three in a series produced by Autodesk (Force 2) which allows you do draw up three dimensional room plans of your new home. Different furniture arrangements can be tried and the final result printed and handed to the removal company along with an inventory.

Flashy computer programmes, however, cut little ice in the boardrooms of some established estate agencies. Savills, which has invested £5m over the past few years in new computer systems, is the agent selling Wardsbrook Farmhouse at £435,000. The five-bedroom house was restored under the guidance of English Heritage and the Field Archaeology Unit of the University of London.

Savills has set up a 30,000-name database, but even so, Ian Stewart, executive director, says he would rather trust his own instinct than the information superhighway. How, for instance, does a computer recognise a fantasist who cannot resist making offers on homes he cannot possibly afford, or detect a burglar on a reconnaissance mission.

"Over the years, experience teaches you how genuine people react. I had a couple of cases where our clients and ourselves have said we required financial references before viewing. Those people who totally overreacted were probably not genuine. Those who were just upset probably felt it was an intrusion into their privacy."

Ian Stewart advises caution. A computer, no matter how good the programme, can never match a property and a person, and a video, filming everything warts and all, can even put buyers off.

But if they viewed the house, driving up and seeing a beautiful property in a lovely setting, they may not bother about the Victorian drainpipes staining a north facing wall.

Agents KFR seem to agree. Patrick Ramsay says: "We are not heading in the direction of putting properties on Internet. Our clients quite rightly want to know who is going to receive details of their properties. We are alive to the ways technology can serve us, but I cannot see the day when one goes into a booth to view properties.

"It is so easy to become idle with new technology and hope it will do the job for you. But a computer cannot sell a house."

American Football / **Jurek Martin**

Super surprise

The Financial Times is a full service newspaper. We think it vital to keep our readers abreast of each and every eventuality, including the highly improbable (the swallows not coming back to Capistrano, Lady Thatcher taking Trappist vows etc).

In this spirit, the following arguments may prove useful around the office coffee machine on Monday morning for those otherwise at a loss to explain how it came about tomorrow night in Miami that the San Diego Chargers beat the San Francisco 49ers to become the Super Bowl champions of American football.

For convenience, the arguments are grouped by sector – political, historical and geographical, and mythological. This is appropriate for the only sporting championship which has grandly bestowed on itself Roman numerals – this one is the XXIXth – on the scant evidence that Julius Caesar was a useful offensive co-ordinator.

■ **Politics:** although this will be the first Super Bowl between two teams from California, Pete Wilson, the increasingly conservative governor, will not suffer from divided loyalties. He is a former mayor of San Diego and, in any case, knows that there is no more liberal coven in the state than San Francisco. The pre-match word from the west coast is that if the 49ers go ahead by more than two touchdowns, he will call out the National Guard and declare Jerry Rice, the immaculate receiver, an illegal immigrant.

Also, San Diego's current mayor is a woman (Susan Golding). Four of the last 13 Super Bowls have been won by teams from cities with a female hizzoner. Extend that to state governorships to include the last two Dallas victories and the ratio becomes six-in-13. One more win and they will approximate their share in the overall population, thus serving natural justice.

Further, teams from the national football conference, where the 49ers reside in all their glory, have won the last 10 (X) Super Bowls. If the working life of the professional football player is one-fourth that of a congressman then the end of 40 years of Democratic rule of the House of Representatives last November is a clear pointer to a victory for San Diego (which, not coincidentally, will play host to next year's Republican convention).

■ **History and geography:** the only left-handed quarterback to start a Super Bowl was Boomer Esiason of Cincinnati in number XXIII. The Bengals lost – to the same 49ers whose quarterback tomorrow is the southpaw Steve Young. That game was played in Miami.

Also, the last time the opening Las Vegas betting line favoured a team by as much as the 18-point edge given San Francisco was in number III, a week before Nixon was inaugurated as president. Unfortunately, the New York Jets, up against the mighty Baltimore Colts, were guided by a callow youth called Joe Namath who liked delivering against long odds. That game, need it be noted, was also in Miami.

Further, over the years, San Diego has boasted some marvellous offensive players – Keith Lincoln and Paul Lowe running the ball, Kellen Winslow, Lance Alworth and Charlie Joiner catching it, Dan Fouts throwing it – without ever even reaching the Super Bowl. Before this season began, the offence – a collection of cast-offs, wannabees and rookies – was considered so obscure the Chargers were commonly picked to finish last in their division. Yet they have made it to Miami (where else?) where, by reverse logic, they clearly cannot lose.

■ **The mythological** (also known as The Curse of Joe). This tablet, found in the vaults of the Church of Notre Dame in South Bend, Indiana, states that San Francisco will only win a Super Bowl with a quarterback named Joe at the helm. So far, it has proved infallible.

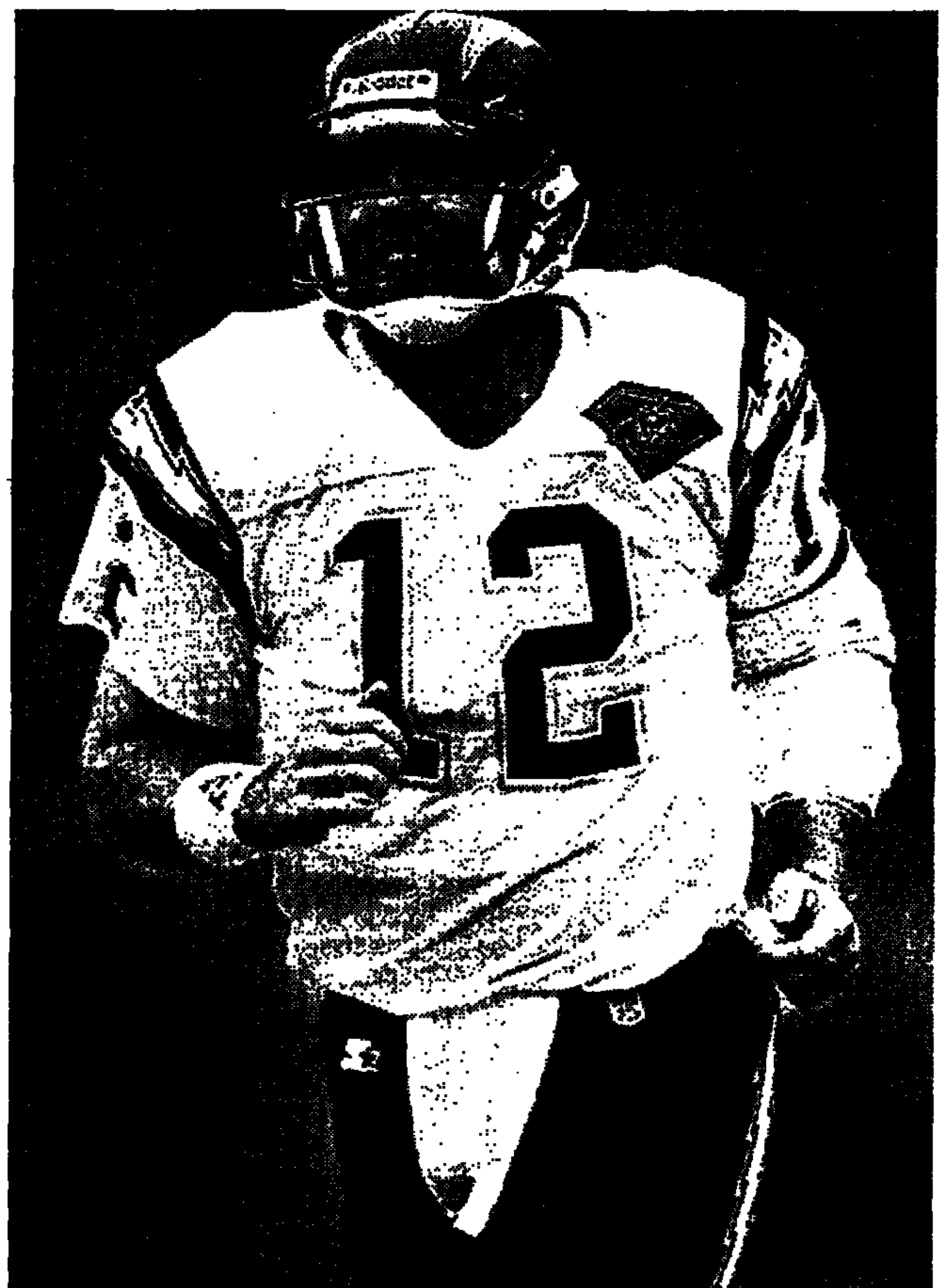
Of course, you will not find much of this strong empirical evidence in the US sporting press, where the case for San Diego stands on thinnish legs – or, to be more accurate, the nimble ones of Junior Seau, arguably the best linebacker in football, the vast thews of Natrone Means, the 250lb runner, and the accurate foot of John Carney, the kicker.

There is also the sense that Stan Humphries, the unsung quarterback who spent four cheerful years on the Redskins' bench, can look bad and still find ways to win. Against Pittsburgh, he completed just one of five passes in the first two quarters, but threw two touchdown bombs in the second half to bring his team from behind. There may be something of the Namath spirit in him, though the arm is much less golden.

There is no doubt, too, that Bobby Ross, who has made the difficult coaching transition from college to the professional level far more easily than most, (eg the hapless Barry Switzer of the Cowboys), has the capacity to inspire. He is particularly good with quarterbacks, with several of his graduates like Esiason and Frank Reich still plying their trade in the professional league.

But set against this is the finely tuned 49er machine under coach George Siefert. They mugged the Cowboys early and never really needed to unsheath the full armoury. Rice caught a killing and gorgeously thrown touchdown toss in the waning seconds of the first half, but it was one of only two he snared all day. Young completed less than half his passes, a rarity in a season where seven in 10 found their target. But he is now the indisputable team leader.

But, then, if the expected comes to pass, there will be little to say on Monday morning. Perhaps that is as it should be.


Stan Humphries, the Chargers' quarterback, can look bad and still find ways to win

Rick Stewart

Tennis / **John Barrett**

Arantxa arrives

If, as I expect, Arantxa Sanchez Vicario, the 23-year-old Spaniard, beats Mary Pierce of France in today's final of the Ford Australian Open it will be a precious moment. Not simply because the reigning French and US Open champion will have effaced the memory of the walloping she received at Steffi Graf's hands in last year's final; not even because she will be A$480,000 the richer (she has already banked US$8.3m from prize money alone in her nine years on the pro Tour). No, the reason will be a personal one. At last, there will be a Spanish name atop the world rankings – hers. That has been Arantxa's dream for the past five years.

Ever since 1989 when, as a precocious 17-year-old, she beat Graf in the final of the French Open, Arantxa has lived with an expectation she has been unable to meet. That win was an immense achievement. After all, Graf had won the previous five Grand Slam titles and the 1988 Olympic crown. But it was also an immense burden on those young shoulders.

Arantxa was hailed as a future world No.1, but she has lived ever since in the shadow of Graf and Monica Seles, who ousted Graf as world champion in 1991. Yet Arantxa always nurtured a belief that one day she would claim that position for herself.

She is too clever to admit the fact publicly. That would put unnecessary pressure on her. After her semi-final against Marianne Werdel Witmeyer on Thursday she told me: "It would be great if I can do it but it is not on my mind. I just try to go into this tournament, play my best and see what happens."

Arantxa first picked up a racket at the age of four. She was encouraged by her elder sister Marisa, who later played collegiate tennis in the US, and then by her two big brothers, Emilio and Javier, who became the mainstays of Spain's Davis Cup teams in the mid-1980s.

Arantxa's path towards the summit has been meticulously planned. Her mother Marisa always travelled with her in the developing years while her father, Emilio, too nervous to watch at times, would usually make an appearance on the big occasions.

At 16, Arantxa was already reaching the semi-finals of the Spanish Championships and representing her country in the Federation Cup – a competition she has helped Spain to win three times in the last four years. Coaches were taken on to hone her game.

Although Arantxa has a 6-2 career advantage against Pierce and beat her in last year's French Open final, that had been the young Frenchwoman's first Grand Slam final. Pierce will be stronger for that experience.

The Rebound Ace courts here are faster than the clay of Roland Garros, which will suit Pierce's fierce driving and make it harder for Sanchez Vicario to run the ball down.

Watching Pierce at practice the other day, standing just inside the baseline, I was impressed by her timing on the early-hit drives which travelled at astonishing speed. Nick Bollettieri knew how to keep her relaxed. "Sven," he shouted to her hitting partner, Sven Groeneveld, one of Arantxa's former coaches. "Mary has promised to pay us $50 every time she steps behind the baseline." Smiting another blow deep into the corner, Mary smiled and said: "Five dollars he means, Sven, I can't afford 50."

> The match Sampras and Courier played was one of the greatest I have ever seen

Win or lose today she will be able to afford $50. The winner takes A$480,000, the loser half as much – the same as the men. Quite what Pete Sampras and Jim Courier make of that is anyone's guess.

The match they played on Tuesday night was one of the greatest I have ever seen. The brave Sampras, already tired from his amazing recovery from two sets to one down against Magnus Larsson and overcome by the emotion of it all, was forced to repeat the feat by a rampant Courier.

Yesterday, Sampras made sure of his place in the final with a 6-7 6-3 6-4 6-4 win over Michael Chang, an incredible feat in the circumstances. I doubt that he will be watching Arantxa this afternoon. But he will certainly identify with her quest. And if Miss A. Sanchez Vicario does confirm her status as the No.1 woman even the WTA Tour computer, with its warped values, will at last have to admit the fact.

Motoring / **Stuart Marshall**

Big cars for lottery winners

There are only three ways in which most of us can hope to get behind the wheel of a luxury car honestly: have a good lottery win, receive a legacy, or persuade an employer we are worthy of a car listed at £40,000 plus.

In recent weeks, I have been enjoying three such cars: an Audi A8, Jaguar's supercharged four-litre XJR, and a Mercedes-Benz S420. I know it is unfashionable in progressive circles to say so, but they, and others of their kind such as the BMW 7-Series and Lexus LS400, provide a rich and fulfilling motoring experience.

I have long maintained that if all you need is comfortable and reliable personal transport with every modern convenience, there is no need to spend more than a fraction of the list price of a £47,109 Audi A8, £45,979 Jaguar XJR or £58,200 Mercedes-Benz S420.

There are plenty of cars at well under £20,000 with automatic transmission, air-conditioning and far more eager and refined performance than you can possibly hope to exploit.

But for really long journeys, I have always found a direct relationship between comfort and car size. The bigger it is, the less likely you are to suffer travel fatigue.

Big cars do ride well and large, multi-cylinder engines make them feel absolutely effortless. But it goes beyond that. When you are spending all day in a car, the extra space that lets you stretch your legs or shift your body position keeps fatigue at bay.

All three luxury cars I drove were quite different in character. The one thing they had in common was their magic carpet relaxation. Unless one was silly enough to hold the automatic transmission in second or third, and race the engine up to the red line on the rev counter, they were almost silent. (Do people in the real world, I wonder, ever drive luxury cars like the lead-footed road testers writing for sporty magazines?)

The Audi A8 was the most individual. Quattro all-wheel drive allows the output of the 4.2-litre, V8 engine to be exploited almost regardless of road surface. Its all-aluminium construction saves weight – it tips the scales at 1,750kg compared with the Jaguar XJR's 1,875kg and the Mercedes-Benz S420'S 1,990kg – and, not surprisingly, it is the least thirsty.

A very gentle foot on the accelerator would improve the Jaguar's fuel consumption. But why pay for super-charging, which gives it by far the fiercest acceleration, if you do not intend to take advantage of it?

·The Mercedes-Benz has a conventional four-speed automatic transmission. Apart from using manual hold on second or third to cut out unwanted hunting between gears on steep, curvy hills, I left it alone.

Both Jaguar and Audi invite driver intervention. Their selector levers can be used, in effect, to provide clutch-less manual gear shifting – the Audi's Tiptronic system is a very neat and positive arrangement. But do you need it?

I tried driving both cars for an hour or two as "semi-manuals". But since there seemed little to be gained, I went back to the ease of full automatic transmission.

Driving a luxury car is as much about ambience as performance. The Audi and Mercedes-Benz are enormously roomy five-seaters, with luggage space to suit. For its latest XJ models, Jaguar has cunningly found small amounts of extra space inside what is essentially a classic British sports saloon.

If my financial ship came home, which would I have? Were I to contemplate driving frequently to snowy places, it would have to be the Audi.

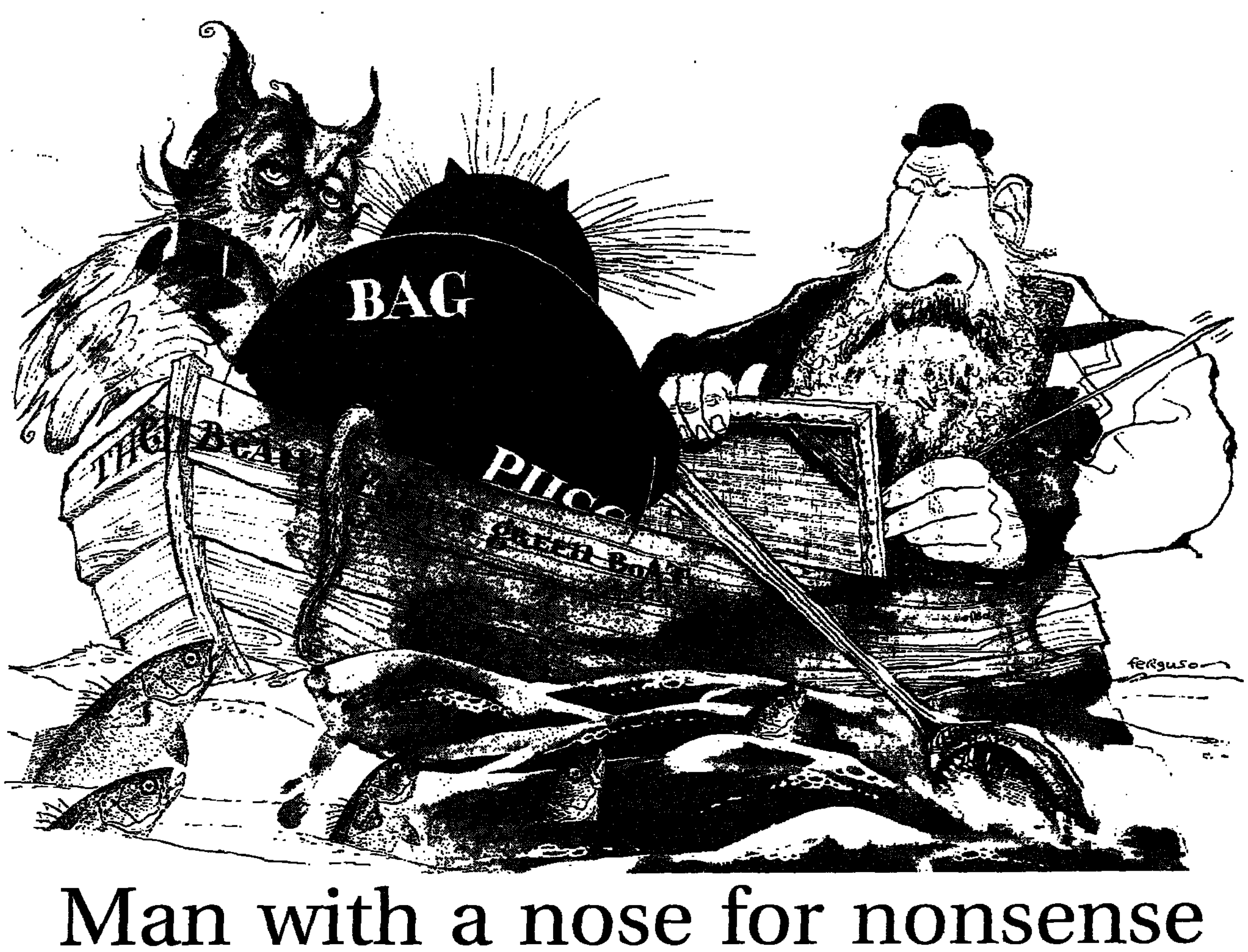
Although both Jaguar and Mercedes-Benz have traction control systems to prevent excess power causing wheelspin, the A8's quattro transmission must give it some edge in Arctic conditions on standard tyres.

I loved the Jaguar for its tigerish acceleration and handling balance. Despite having ultra-wide tyres, which made it "tram-line" (wander slightly from side to side on uneven roads), it rode with extraordinary comfort. But if I am going to have a big car, I would have a really big one – a Mercedes-Benz S-Class.

It is hugely spacious front and rear, and the boot is vast. In spite of its size, it is not ponderous to drive. I found it long-legged and agile.

The minor controls are understood easily. Its thoughtful touches include double-glazed side windows, doors that power-close with only a soft click, and a single knob that adjusts all three rear-view mirrors and folds the two outside ones flat.

It is the most expensive – but would be the easiest to sell again. Even on a trip into dreamland, it is wise to have a line of retreat.



Man with a nose for nonsense

But this entertaining life avoids the darker side of Lear's character, writes **Jackie Wullschlager**

In 1865 an English traveller in Venice picked up *The Times* and read that his best friend had been promoted to Secretary of State for Ireland. "I threw the paper in the air and jumped aloft myself – ending by taking a small fried whiting out of the plate and waving it round . . . till the tail came off and the head flew to the other side of the room. Then only did I perceive that I was not alone, but that a party was at breakfast . . . Happily for me *they were not English*".

Edward Lear was one of the great 19th century eccentrics. His art was as British as nursery rhymes and crumpets for tea yet he spent a lifetime escaping the constraints of Victorian England. He was the first writer to make children laugh, but he was also so miserable that he could spend days sobbing in a darkened room. Poet friends such as Tennyson sneered at him, yet for every reader of *In Memoriam* there are now thousands who can recite "The Owl and the Pussycat" by heart.

Peter Levi's book is a spirited reassessment of Lear's importance as poet and painter. It began as an Oxford lecture on Lear's verse, and original and quirky comments tumble from its pages rather as jokes and puns ("who *nose* what may happen?") bounce across Lear's letters and poems.

As biography however it is misguided, for so intent is Levi on conveying his own anecdotes and view of the world, that Lear becomes less his subject than his Victorian alter-ego. They share poetry, a love of Greece – Levi taught both poetry and Greek at Oxford – and the male menopause ("one is not usually conscious of such *a crisis in one's own case, at least* until it is over"). They share a dislike of "Arabs and lower-class Levantines": "It was quite common in the last generation to beat them with one's stick: I remember a very old Englishman living in Cairo who was still doing so long after Nasser". They are both innocent about sex, which means Levi ignores references to Lear's homosexual longings, while "it is rather sweet of Edward to have been startled" when a friend confides in him about a mistress. This promises *to be not only the most politically* incorrect but one of the most naive biographies of the year.

For Lear was not a cosy batchelor traveller but a brilliant artist on the run from himself and his society. He was born in Holloway in 1812, the *20th child of a stockbroker who soon* went bankrupt. He was farmed out to a sister, developed epilepsy, and was probably abused: his diaries refer to a cousin who "did the greatest evil done to me in life", and even 50 years on he notes the anniversary of the event.

At 15, he became a bird painter and, sketching at London Zoo, he caught the attention of the Earl of Derby, who installed him at his country seat in Knowsley to paint the animals in his private menagerie. Levi captures exactly the witty rococo flavour of these 1830s jaguars and tree rats and parrots when he compares them to the humour of Jane Austin's letters.

EDWARD LEAR: A
BIOGRAPHY
by Peter Levi
Macmillan £20, 362 pages

At Knowsley, the Earl entertained *100 to dinner nightly, and* Lear was soon drinking champagne with the aristocracy in return for amusing *them with nonsense rhymes.* When ill-health drove him abroad, their commissions for views of Italy and the Middle East funded a roving art*ist's lifestyle* that lasted from his 20s till his death.

One of the pleasures of this book is the unfolding of a century of rapid change. When Lear arrived in Italy in 1837, a cab from Milan to Florence cost him £5 and took a week. By the 1880s, he could reach his villa at San Remo in two days by train from London. As a painter, new technology did him no favours: in the 1830s, a typical *souvenir of a foreign visit* was a drawing purchased from an artist, and Lear made a good living. In the 1880s a picture postcard was the norm and Lear's livelihood was dying.

All his life he moaned about money and loneliness. He never married, but had a string of crushes on younger men. Vivien Noakes' 1968 biography details the most passionate of these, for a Cambridge scholar called Franklin Lushington, "the most perfect character I had ever known". Levi quotes Lear's rapturous letters home *from their Greek holiday, explaining* that "I do not think the key to all this is precisely sexual attraction, but the *spring in Greece at full blast*".

Back home, Lushington became a lawyer who conversed in classical Greek, then a judge in Corfu. Lear *followed him, Lushington ignored* him and advised friends not to waste money on his pictures. Lear had a near breakdown from the "frantic-fanatical caring overmuch for those who care little for us".

Levi's interpretation that "there is no evidence whatsoever of homosexuality in his life", like his assertion that Lear's evidently unhappy childhood was happy, reads like a cover-up. It matters because Lear's fantasy poems are rooted in the need to escape this unhappiness. His mis*matches – the Owl and the Pussycat,* The Duck and the Kangaroo, The Daddy Longlegs and the Fly – are wish fulfilment versions of the romance that could never be his in Victorian England.

Lear was the quintessential clown who laughs on one side of his face while weeping on the other. Levi's exposition of such poems, linking them back to nursery rhymes and *Mummer's plays and forward to the* music and parodies of John Betjeman, is scholarly and entertaining, but by ignoring the darker side of Lear, he never reaches the heart of the man.

A delightful correspondent

Michael Thompson-Noel finds Patrick White's letters irresistible

It is next to impossible to resist dipping in and out of Patrick White's letters. Here we are, for example, on page 483 of David Marr's excellently assembled collection where White, Australia's greatest novelist and winner of the Nobel prize, in a letter to Joseph Losey, suddenly starts *telling Losey* about his pugs.

"The pugs", he writes, "came back from their boarding-house – so overfed it's alarming. Apparently they spent their nights sitting on a sofa watching the telly."

Or here – entirely at random – on page 575, where White is writing to *Jean Scott Rogers*, a screenwriter and pen-friend who corresponded with him for more than half a century. This one is dated Christmas Day, 1982.

"No more novels", White tells Scott, " – they are too wearing physically, and I think by now I know how to machine-gun more accurately in the theatre . . . Just heard that abominable woman QEII exalting Britain's part in the Falklands War. It seemed from here that Thatcher's Fascist gang was every bit as bad as the Argentinian one.

PATRICK WHITE
LETTERS
edited by David Marr
Jonathan Cape £35, 677 pages

"If you send me your size in gloves I'll try again [to buy her some Australian wollen ones]. *Have found a shop that speci*alises in such things . . ."

This bizarre yet beautifully considered and impeccably well controlled lurch from QEII and Thatcher's fascists to talk of glove sizes is characteristic of White's letters, and one of the reasons that you will find it hard not to scroll forwards and backwards – constantly diverted by White's surreal mixing of high art, low politics and domestic chit-chat in the *600 letters Marr has chosen.* These are the letters, as he says, of "a great artist speaking his mind, a wise man who could be stubbornly wrong".

But scrolling backwards and forwards would be wrong, because then you would miss the benefit of Marr's great knowledge of White, accumulated during the writing of his *widely appreciated biography, Patrick White: A Life*, published three years ago.

White asked friends to destroy all his letters. Some did as they were told, and some lied, but most carefully stored them away. By the time he finished writing the biography, Marr had about 2,000 letters. Since then he has had *access to 1,000 more*, so that he has been able to make a selection which provides almost a narrative of White's life from 1918 to just before in his death in 1990. (White's attitude to the letters changed because he realised that biographies feed on them.)

The narrative of the letters is *pulled together by Marr's* helpful linking text, and by more than 1,200 footnotes and a cast list of correspondents, from close friends, such as Geoffrey and Ninette Dutton, to politicians, including Gough Whitlam, whose sacking as Australian prime minister by the governor-general in 1975 turned White into a radical republican.

As Marr says, White's letters are earthy, camp, shrewd, savage, *dramatic and very funny.* "White wrote novels to impress a hostile world, but most of his correspondence was written to amuse, inform and at times upbraid his friends. He was an old man before he wrote fiction as easy and direct as the best of his letters."

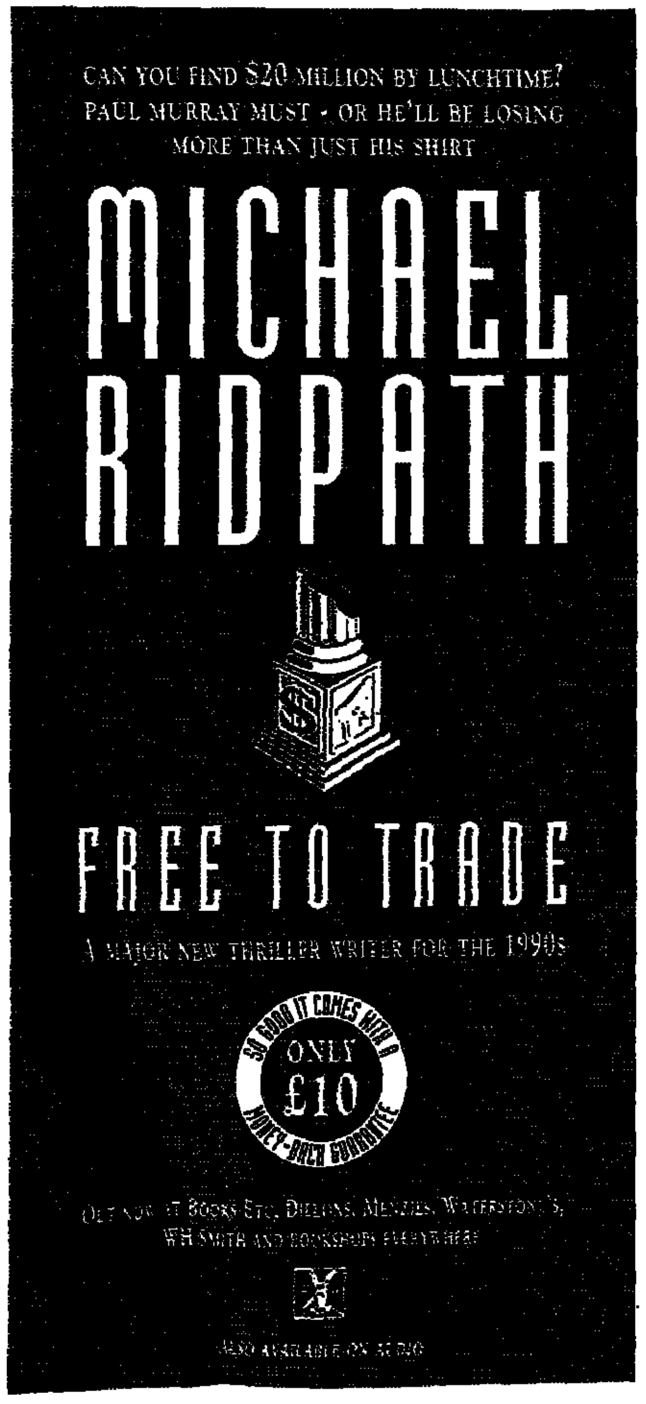
The backbone of the collection comprises the 96 letters from White to the Duttons, selected from the 277 he sent them from 1957 until breaking off with them shortly after his 70th birthday, in 1982. They contain news of books, cooking, people, paintings, dogs, films and illnesses, and in their frankness, through good times and bad, through anger or simply towering crossness, are quite remarkably touching.

White's rival for the Nobel prize in 1973 was Saul Bellow. The Academy was deadlocked, so an ill academician was rung for his vote, which swung the *prize White's way.* The Swedish ambassador in Canberra was given advance warning so as to *break the news to White* early on October 18, but none of his friends would transgress the absolute rule against giving out his unlisted number. Chaos followed.

Five days later White wrote to Tom Maschler, who was chairman of Jonathan Cape when the firm accepted *The Vivisector*, the first of White's *novels it published. White told* Maschler he had suffered a strenuous and alarming Thursday night and Friday, what with the press and TV people pounding on the door, rampaging round the house, ringing bells and making the dogs bark for at least an hour and a half.

"I had gone to bed with a sleeping pill after cleaning the *house* all day and wasn't going to come down for anybody . . . I am amazed at the way Australians have reacted, in a way they usually behave only for swimmers and athletes. I am very touched, and have been feeling guilty for some of the things I have said about them in the past."

After the biography, and now these letters, there are several million Australians feeling guilty for some of the *things they said about Patrick* White.



Battle of the Tory souls

It is becoming a commonplace among British historians that the 20th century has belonged to the Conservative Party. Arithmetically, this is true: between 1881 and 1992 the Tories won 17 of the 29 general elections held and their share of the vote seldom fell below 40 per cent.

A *more teasing question* is how far this happened by accident or design. If there had not been two world wars the pattern of British politics might have been very different. There is also the matter of timing. Several general elections have been decided in an unexpected way by the government going to the country prematurely, and losing: the Conservatives in February 1974, for example.

On the whole, however, the Tories have been extraordinarily lucky. They have benefited from the electoral system. If there are two other parties – Labour and Liberal – who oppose each other as much as *they oppose the Tories, 40 per* cent of the vote should be enough to scrape by. A little more than 40 per cent can ensure a spectacular majority.

So much may seem obvious *towards the end of the century.* It was not easily predictable at the start. When the Tories lost the general election of January 1906, the result was described by a contemporary journalist as "the most smashing defeat at the polls sustained by any political party in modern parliamentary history". For the next few years it looked as if they might never take power again. Indeed, as E.H.H. Green notes in this book, the party was in such disarray over every conceivable subject that "many Conservatives greeted the European crisis and outbreak of the great war (in 1914) with an almost audible sigh of relief".

THE CRISIS OF
CONSERVATISM: *THE*
POLITICS, ECONOMICS
AND IDEOLOGY OF
THE BRITISH
CONSERVATIVE
PARTY, 1880-1914
by E.H.H. Green
Routledge £50, 412 pages

Not that the Tories took the defeat lying down. They quarrelled. The Tories were never entirely the "stupid party", as some of their cleverer members like to pretend, and in the early part of the century, some of them were remarkably earnest, looking for a role in a changing world.

One of the merits of Green's work is that it brings out the intellectual strands in the arguments. *The party of property*, empire and the church had to adapt to a wider franchise, the rise of socialism and mounting foreign competition. As early as 1888 Lord Salisbury *had noted with concern:* "We have a population constantly growing in a limited island." By 1909 Lord Milner was saying: "The time is coming . . . when the UK *alone* will be hard put to retain its place amongst the foremost nations of the world."

Green argues that the campaign for tariff reform, which came to dominate the party, was a Tory attempt to produce a coherent overall policy. Tariffs would raise revenues to promote social reform and relieve unemployment. They would protect domestic agriculture at the same time as ensuring a market for British *goods in the empire. Not least,* maintaining the empire would preserve Britain's status as a great power while the US, Russia, France and Germany were challenging British hegemony.

The trouble with that argument, of course, is that not all Tories agreed. But how they fought! Here were the predecessors of Keith Joseph and Michael Heseltine battling for the soul of the party: *laissez-faire* or interventionist.

Quite the best part of *The Crisis of Conservatism* is the section on the economists. Some of the "historical economists", as Green calls them, stood up to the orthodoxies of Adam Smith and David Ricardo, and even wrote to *The Times* to say so. "Economics as *currently taught in England,*" said William Cunningham, "has become imperfectly *abstract*" and had begun to distort economic policy. He thought that Smith's best known book was not about the wealth of nations, but the wealth of separate citizens.

Several of the economists had been to German universities and had a particular admiration for Friedrich List, who said that the central concern for economists was promoting the national interest and assuring that the state provided the means for its citizens to compete with foreign countries. The German talent for organisation was already being seen as a Tory model.

Such arguments were interrupted by the war, though they have hardly gone away. Still, the war changed much else and the Tories survived. Without the war, Green concludes in this hugely researched but under-edited book, the party might have disintegrated.

Malcolm Rutherford

The father of all spooks

This *must surely be the* last word about Kim Philby for a decent period: shall we say 20 years? Anthony Cave Brown has two justifications for this exhaustive, and exhausting, reworking of the tale. First, he has been able to consult KGB files and interview people like Philby's Russian widow and, more interestingly, Mikhail Lyubimov, a popular KGB man-about-London in the 1960s, a colleague of another spook in the news at present, *Oleg Gordievsky. Second, he* has devoted considerable space to Kim's colourful and controversial father, St John Philby.

Not that this has exposed anything particularly revelatory, as opposed to speculative. "It cannot be excluded," we are *told in a typical* phrase, "that St John became his son's inspiration and mentor . . .". Or, "it seems impossible" that father did not know of son's role as Soviet secret agent.

But the thesis of "treason in the blood" is surely a bit strong. St John Philby was a gifted and eccentric India hand turned Arabist who fell out of sympathy with British imperial ideology. No doubt there were some dubious episodes in *the old man's career, but his* principal "treason" in Cave Brown's indictment appears to be that, years after he had left the service, he was instrumental in securing the Saudi oil concession for the Americans. This hardly seems on a par with his *son's lifelong and* murderous career of betrayal.

TREASON IN THE
BLOOD
**by Anthony Cave
Brown**
Robert Hale £25, 677 pages

Where is the proof that St John, for all his socialist sympathies, concealed a knowledge of Kim's underground affiliation, beyond a luncheon assurance to the MI6 recruiting officer, surely understandable in the circumstances, that "that was all schoolboy nonsense"? What remains is the less dramatic point that, in Cave Brown's words, Kim "became *possessed of a lifelong idée fixe* that was quite similar to that which infected St John . . . Kim Philby, *too*, became a monomaniac against Whitehall . . ."

To that may be added the judgment of *Philby's* colleague, Nicholas Elliott, that Philby was "a schizophrenic with a supreme talent for deception". Come to think of it, that does *not* take us very far either. And does Philby's greeting to Elliott, come to confront him in Beirut – "I rather thought it would be you" – really prove that he must have been tipped off by a fourth or fifth man in London?

The story, of course, has been told so often that the value of a book like this, where not a *detail is spared us, is* probably for the innocent beginner. Cave Brown does not hesitate to use, and quote, all the old familiar faces – Trevor-Roper, Andrew Boyle, Philip Knightley, the Insight team, Malcolm Muggeridge, Seale and McConville, Graham Greene, etc., and his chapters on St John lean heavily on Elizabeth *Monroe's biography.*

There are painstaking accounts and analyses of the early betrayals, Overlord, the mystery of James Jesus Angleton, the Burgess and Maclean debacle, the forced resignation in 1951 and the posting to Beirut under journalistic cover in 1956, and the last, lonely years in a golden cage in Moscow *where his KGB hosts* never entirely trusted him.

What is curiously missing is a sense of the actual man behind the masquerade. Occa*sionally a detail* peeps through – like his joining the Athenaeum as early as 1926, or the way he and Guy Burgess once polished off 52 brandies at an Istanbul yacht club. Can that be true? And did Graham Greene in the late 1980s *became* a conduit, via Philby, between MI6 and the reformist KGB? That would surely merit another play by Alan Bennett.

J.D.F. Jones

[illegible] من الأصل

Becoming Merry Wives

Alastair Macaulay finds a mellow England *in this intimate and simple setting*

It was a fine idea to stage *The Merry Wives of Windsor* in the Olivier Theatre, where *The Wind in the Willows* has been playing. Suddenly we can see how Shakespeare's irrepressible, scheming, life-enhancing Falstaff provided Kenneth Grahame with his chief model for the bumptious Mr Toad - right down to the episode where Falstaff/Toad makes his escape in female disguise. And we see too how the tender and comic idyllic view of rural England that is so charming in *Wind in the Willows* owes its original to the tender and comic country idyll that Shakespeare had made eternal in his Falstaff plays.

The Merry Wives looks well on the Olivier stage. Timothy O'Brien, designing, avoids the dazzling scene-changes that lend such delight to *The Wind in the Willows*; but instead gives us one mellow England of tall trees, old redbrick houses, and autumn leaves - into which a few pieces of scenery rise and fall to take us from one home to another, while assuring us that we are always in the unchanging Windsor countryside.

At the end, idyll is touched by elegy as everyone departs, singing as they go, and Falstaff, rousing his sleeping page, follows them. The scene reminds me of several of the RSC stagings I used to love in the later 1970s; and the director is Terry Hands, who worked at the RSC for so many years. Here, working at the National Theatre for the first time, he has scaled the action so that everything fills the large Olivier auditorium and makes it feel intimate.

Now, however, I have run clean out of praise. This is a dreary, heavy-handed, and untender account of this comedy. Some of the heavy-handedness comes from Shakespeare - this was never his most refined comedy - and the cast milks every chance to make the audience laugh with accidental dirty puns, whereby "by Gar" sounds like "bugger", "pinnace" like "penis", and so on. But the play has lightness and sweetness and good manners too, all of which Hands, on this occasion, has ignored.

Almost everyone speaks in unconvincing Mummerset. (No marks to the dialect coach, Joan Washington.) The merry wives are silly pop-eyed buffoons. Geraldine Fitzgerald, as Mistress Ford, is the silliest; she does not even bother to pretend that her husband's insensate jealousy might sometimes trouble her. Maureen Beattie, whose accent keeps commuting across the Irish sea, is Mistress Page. The usually excellent Brenda Bruce radiates a certain shrewdness, but is given nothing but dull stock antics to perform.

Falstaff (Denis Quilley) is the only three-dimensional character onstage, and the only one with any complexity or intelligence. Quilley is here so bearded and padded that he acquires a resemblance to Sheridan Morley so striking as to be quite distracting. He has always had an outsize voice, but its quadruple-cream quality, like his entire persona, is too suave to be entirely Falstaffian. Falstaff must have a gritty reality; Quilley is cultivated, mellifluous, artificial. His finest moment, and the production's truest note of merriment, is the sudden laugh he gives before he shakes Master page's hand in final reconciliation.

Tim Wylton plays the French Dr Caius as if he had walked straight out of the worst episode of *Allo Allo* and into period costume. Several good actors work very hard to little effect; and at least one decent actor, Richard McCabe as Master Ford, here works very hard indeed to nothing but ruinous result. The most relaxed and humane performance is Alan David's as the Welsh parson Evans. The play runs at two hours 45 minutes; a pity the last lines of Fenton's final speech, so serious a plea for true love in marriage, are among the cuts made. It is a general rule that audiences enjoy bad acting almost as much as good acting; on this occasion, it proved.

In repertory at the Olivier Theatre, South Bank.

Brenda Bruce and Denis Quilley

Alastair Muir

A populist remembered

Philip Hedley, artistic director of the Theatre Royal, Stratford East, pays tribute to Ken Hill

On the first day of rehearsals for *Zorro*, writer and director Ken Hill said: "Let me be absolutely clear, the acting has to be utterly truthful". He had seen his work camped up too often in other director's hands in the mistaken belief that this was the way to make it funny. For Ken, embarking on his 20th production for the Theatre Royal, Stratford East, there always had to be a truthful basis for the joyous theatricality of his productions.

Today, however, the director treating *Zorro* so seriously is Peter Rankin, Ken's assistant. At the end of rehearsals last Friday, January 20, Ken said to me: "If I can't come in on Monday, Peter is perfectly able to take over. I trust him completely . . .The company are working well and the production team's the best I've had." Such praise from Ken was so unusual it was disturbing.

Just as rehearsals were to begin last Monday Ken's wife Toni, who is performing in *Zorro*, phoned to tell me he was dead. The cancer he'd been fighting intermittently for 12 years had finally defeated him. His illness had been very obvious in his last weeks, but such were his will power and his devotion to work no-one would have dared to question his right to work to the end.

I seated the company in a circle to tell them. There were shocked intakes of breath and some weeping but within the hour they were back at work because "Ken would be furious that we've taken time off". In the afternoon, Toni slipped into her place during a scene. The work didn't stop. Ken would have approved – his inventive brain was always working. In our final conversation he said, "I'm a hands-on director. I like to know how everything works. Some just let the technical people get on without a clue".

Every two or three years he would come to me with a list of ideas to choose from. I remember the 30 suggestions he gave about five years ago: I momentarily stopped at *Sunset Boulevard* but my eyes lit up when I saw *The Invisible Man*. At first I wouldn't believe Ken's assurances that it had never been staged. Like most good ideas it was a very obvious one, but nobody had thought of it before.

Ken was often there first. *Zorro* is the subject of Spielberg's next film. Andrew Lloyd Webber saw Ken's version of *The Phantom Of The Opera* in 1984 at Stratford East with music by Verdi and Offenbach. Discussions took place about transferring Ken's *Phantom* to the West End. When Lloyd Webber decided to do his own, Ken expressed no bitterness. "Andrew was quite entitled to do his own version since the story is in the public domain".

Ken's *Phantom* went on to tour the US for five years. As he said, "It's been a huge success and has enabled me, for the first time in my life, to buy a nice house and pay off all my debts. I'm a very lucky man. I've hardly ever been out of work in 30 years. If I'd been ambitious I would probably be rich by now, but I just enjoy being in theatre and having the freedom to write and direct my own shows."

The two theatres where he earned that freedom were Newcastle Playhouse and the Theatre Royal Stratford East where, in the 1970s, Joan Littlewood and her Theatre Workshop staged *Forward, Up Your End*, Ken's joyous satire on municipal corruption in his hometown of Birmingham. Joan was a major influence on his work. He followed her for a year as artistic director at Stratford East, and thereafter he returned time and again, with productions like *Dracula*, *The Count Of Monte Cristo*, *The Last Of The Dinosaurs* or *The Curse Of The Werewolf* where the derring-do on stage, the theatrical tricks, the meticulous choice of music all lived up to the excitement of the titles.

Ken Hill at work

Ken was an unashamed populist. He built up a local audience at Stratford East. Sometimes the critics did not see past Ken's delight in a good old joke to perceive the expertise and elegance of his productions, but many reviewers did finally grasp his true worth and gave him generous raves.

I liked the critic Jack Tinker's comment: "He had an original mind and an original voice. He had what every playwright should possess – great heart, great spirit and a great sense of theatre".

Zorro **previews at Stratford East from next Saturday, February 4, and opens on February 14.**

Tate plays for high stakes

But has it got the winning card with Bankside? asks **Antony Thorncroft**

Nick Serota, director of the Tate, looks like a poker player so there is no surprise that he is playing a confident hand in his ambitious plan to open a Tate Gallery of Modern Art in the disused Bankside Power Station on the Thames opposite St Paul's.

This week he announced the chosen architects, the Swiss firm of Herzog & de Meuron, and drew an agreeable picture of 2m visitors enjoying friendly, elegant, galleries inside a revitalised but externally recognisable Bankside by the year 2000.

The little matter of the cost, £40m for the re-building, plus another £50m for fees, acquisition of the site, VAT, and contingencies, he takes very much in his stride.

At this moment the Tate's bravura stands a good chance of succeeding. Everything depends upon the response of the National Lottery funded Millennium Commission, which in the next few months is to be asked for £50m.

The commission will not like being taken for granted. It can *legitimately raise an eyebrow* about a project which has been so far advanced before the Tate has seen the guidelines for applicants to the Millennium Fund.

The commission, through its chairman, heritage minister Stephen Dorrell, has been at pains to point out that the millennium money, estimated at around £1.5bn, should touch the lives of the masses. Dorrell has suggested that the environment, technology and community are the buzz words; the commissioners have not shown much enthusiasm for expensive arts buildings.

But there will be some grand projects, perhaps eight, scattered around the country. And a couple of these might receive £50m, the highest single sum the commission is prepared to consider.

The Tate is laying down an open and pre-emptive marker for the one big millennium project to be sited in the capital. There may be another, around the £20m mark, but if the Tate successfully sells Bankside, the other major schemes for London, such as Albertopolis (the renovation of the Kensington museums), and the proposed regeneration of areas like Greenwich and King's Cross, face an almost impossible task.

So far the Tate has played its cards well. It has been sounding out rich friends, abroad as well as in the UK, and, with its architects in place, believes it can go to the commission in April with strong guarantees that it will be able to raise the other £40m needed through its own efforts. It will also stress the obvious: that the UK badly needs a major museum of modern art, and that such a collection will have a reassuringly 21st century ring to it.

The Tate is also emphasising the community aspects of the new gallery in terms of local employment, and in reviving a stretch of London already tagged South City. Southwark, the local authority, has been very supportive, to the extent of contributing over £1m of the £2m-plus costs the Tate has invested in the scheme to date – in restoration work at Bankside and in holding the architectural competition.

The Tate is fortunate that the new Globe Theatre will be yards away and that the ICA hopes to move to adjacent Blackfriars Bridge – if it gets lottery cash from the Arts Council. Just along the way is the South Bank Centre, with its own ambitious renovation programme, also targeted at *the lottery. London could have* its Left Bank at last.

And if the commissioners decide that the millennium must be celebrated with a great national community festival: what better place for it? The Tate has enthusiasm and money. It now needs tact – and yet more speed.

The commissioners sifted through the first tentative applications for cash this week. To their surprise there was a poor response from London. If the Tate Gallery of Modern Art is to become a reality it needs the go-ahead by this summer. *Nick Serota must play his aces* quickly.

Radio/**Martin Hoyle**

Distorted voices

Last week an exasperated colleague recommended a prison term for those broadcasters who distort spoken English. No, it was not one of us southern softies or prissy Home Counties types but the admirable television critic of the Yorkshire Post. I am unsure whether we represent the last gasp of old standards, she and I, or the vanguard of something new: nothing to do with snobbery or pedantry, just clarity, an understandable *lingua franca* for mass communication, and accuracy.

These are all politically incorrect, to judge from a briefly-glimpsed gathering of Radio 3 executives ten days ago. Together with a distinguished composer/music journalist, I was invited to give a short talk to an assembly of producers in the course of a day devoted to "input" and the like. Despite the genial and diplomatic presence of Nicholas Kenyon, the paranoia rumoured to be creeping through the station is cantering towards a gallop. My colleague was attacked for mildly, and given the nature of the medium, reasonably, criticising the frequent mispronunciation on radio. References to the excellent Anthony Hopkins, the soothingly-voiced music broadcaster who painlessly introduced classical music to several generations of the unspecialised, prompted contemptuous comments of "patriarchal". "Perhaps you should find someone with Hopkins' talents and a cockney accent," suggested my fellow-guest mischievously. "We're trying but they're very hard to find," came the reply, without the flicker of a smile.

Irony is the greatest weapon against extremism. The absence of any sense of the ridiculousness of their po-faced attitudes was perhaps the most chilling thing about the whole affair. That and the admission that it costs money to consult the BBC Pronunciation Unit. Aha, now we know. Nothing to *do with swottishness, boys and* girls, but two years on isn't it time somebody in the corporation ruled on "Herzegovina"? The BBC is split between those who stress the penultimate and the antepenultimate syllables. It undermines something the BBC once had in spades: authority. Gravitas. Professionalism. But perhaps it costs money to issue a memo.

To unwind at home I put on a preview tape of *One Foot in the Grave*, lately translated to Radio 2. The ensuing silence, though not welcome, was unexpected. They had sent me a blank tape. I suppose the BBC represents certain aspects of Britain today: Rottweiler *truculence and well-meaning* incompetence. But who would have guessed which station was which?

No elitist nonsense about Radio 3's production of Aphra Benn's *The Rover*. In this lumpishly unstylish and outer-suburban production of a Restoration comedy of carnival, cross-purposes and disguise, the men came off slightly better: Restoration rakes can always be played as over-privileged rugger hearties on a spree. The women were afflicted with the chant-and-whine syndrome, the classless society's response to high style.

Never mind, eh. It's on the way out.

Chess No 1059: 1-9 Kd8-e8-f7-g6-f5-e5-d6-c6xb5; 10-20 Kc6-d6-e5-f5-g4-f3-e2-d1-c2-b1xa2; 21 Kb1; 22-23 a2-a1N; 24 Ka2 Nc3 mate.

'Plein air' Impressionism which bears comparison to the best of its time: 'Midsummer', 1892, by the Scottish artist James Guthrie

Artists open to influence

From the Barbican, **William Packer** puts the case for the British Impressionists

The exhibition of British Impressionism now at the Barbican is long overdue. The received opinion, of course, is that if indeed there ever was such a thing as British Impressionism, it was very much the poor relation of the French original: British artists – which term must be taken here in its historic context to embrace the Irish – may be recognised as having achieved a certain decorative or narrative competence and charm, but nothing new or peculiarly their own. The feeling has always been that they were following the lead of others, working at best at second-hand.

But these are revisionist times. The Royal Academy's Post-Impressionist show 15 years ago blew that narrow critical category wide open, to embrace virtually anything done in Europe in the 50 years or so after 1880. And in the meantime, with every succeeding Impressionist show, Impressionism itself has been pulled and stretched to mean just what we choose it to mean – Pissarro the social symbolist, Monet the expressionist, Degas the realist. As a useful critical term, it seems to be fading away.

This show makes clear at once that, throughout the second half of the 19th century and well into the 20th, the traffic of artists between England and France was constant, mutual and familiar. Indeed, it begins with Monet and Pissarro as refugees in London in 1870, and Berthe Morisot on holiday on the Isle of Wight. The second room has John Lavery returning twice to paint the old bridge at Grez-sur-Loing, Charles Conder at Giverny and David Gauld in Brittany.

But Paris being Paris, not all her artist-visitors were British, and if this show proposes a further agenda, high upon it should be a fresh comparative study of the British with the equally peripatetic Dutch, Belgian, German, Russian and Scandinavian artists of the time. Nor were the Impressionists the only artists of the moment.

The later 19th century was quite as much the period of ascendant symbolism and social realism – Millet and Puvis de Chavannes, Moreau and Redon – and of Bastien-Lepage, master of the realist, *plein-air* conscience which attracted to him English painters such as Forbes and Edward Stott, and the Scots, Guthrie, Henry and Clausen.

The truth is that British artists of the time were open to influences and examples of all kinds, moderated naturally by their own experiences, interests and conditioning. The compatriots of Constable were not necessarily to be over-excited by the Impressionists' move into the great outdoors, and social realism and "truth to nature" were not so very far from the moral narratives of High Victorian genre or the scrupulous observation of the pre-Raphaelites.

Only the subject-matter perhaps seemed new – the immediacy and naturalism of the workaday, the incidents of modern life, social observation taken on the wing. New, too, was the practical directness of the response to the thing seen, and the apparent unselfconsciousness of the statement, the acceptance of paint as paint, colour as colour. We find British artists absorbing and responding to all these examples, and with remarkable accomplishment. The work of Henry and the Stotts, Guthrie and Clausen, Forbes and Sargent, Lavery, Orpen and Osborne, is often very beautiful and bears comparison with the best of its time, anywhere. Indeed the Irishman, Walter Osborne, has been grossly neglected.

The puzzle is only that it should all have been so long dismissed as such trivial and third-rate stuff. The answer can only be one of fashion allied to self-belief, or rather the lack of it. For French Impressionism in the old narrow and national sense of Monet and Pissarro, Renoir and Degas, was suddenly accepted as the true face of the modern, and swept the board: narrative was out, forgetting that even Monet and Degas, to say nothing of Gauguin and Cezanne, all made narrative paintings in their time.

British art, even at its most modern and engagé, could never quite, indeed never really wanted to, abandon the narrative, though the manner might be pure *plein air* Impressionism. Sargent? – too sentimental; Sickert? – too morbid; Whistler? – too self-conscious and effete; Clausen? – mawkish; Munnings? – quite beyond the pale.

But the British School, in its several national and local aspects, is distinct in itself with its own qualities and heroes, and we have deferred and sold ourselves short too long. Without making any exaggerated claims, that Sargent was the equal of Monet, Sickert of Degas, or Steer of Pissarro, this fascinating exhibition begins to put the record straight.

Impressionism in Britain: **the Barbican Art Gallery, Barbican Centre EC2, until May 7, then on to Dublin. Sponsored in London by Flemings.**

Opera/**Richard Fairman**

'Figaro' at full speed

From a cursory glance into the orchestra pit it looked as if there was nobody there. Orchestras are getting smaller and smaller for Mozart operas these days, even when the performances are on traditional instruments, and the pit at the Theatre Royal in Glasgow looked barely a third full for *The Marriage of Figaro* on Tuesday – good news for the players, who get more leg-room.

Nicholas McGegan is well versed in period style and transfers what he knows of speeds and instrumental timbres to the orchestra of Scottish Opera, where he is principal guest conductor. If that sounds as if his Mozart will be buoyant and fast, it is. The musical performance set the pace right through this performance, fizzing along without a moment's pause even in the recitatives. Beaumarchais's "folle journée" comes across as a whirl of activity.

Early on in rehearsal conductor and producer evidently decided that *Figaro* is an unadulterated comedy to be played at top speed. David Leveaux cannot even wait for the end of the Overture before the curtain is up and his production is romping away. It is just before dawn and the Almaviva household is still not in bed. Various couples are rushing about in search of a quiet spot for a quick one, until every nook and cranny is occupied – an amusing idea that gets tiresomely overdone.

That is the production's besetting sin. If they could remove the ten per cent which really grates – like that naff little dance at the end of act two and Susanna's fit of hysterics during the letter duet (one of Mozart's most sublime inventions) – this could be an appealing comic *Figaro*. Nor is there any need for characters continually to throw each other to the ground, toss around the dinner plates and use the cushions as punch-bags. Just let Jeremy Sams's sharp-tongued translation make the jokes. It is getting plenty of laughs already.

Leveaux has set the opera in the 1950s and worked out some characterisations to match, though not all. As often happens when *Figaro* is played as a comedy, it is Susanna who takes the lead. Lisa Milne makes her a common piece and bolshie too, the sort of servant who thoroughly resents her place in life. It is a more vulgar Susanna than Mozart had in mind but she makes it work skilfully through drama and music alike. Claire Rutter's Countess alongside makes little impression.

Somehow, the cast finds itself with two singers suitable for the Count. Stephen Gadd, who actually takes the role, makes a decent job of it, singing cleanly and playing the role as a small-fry landowner without much moral or social stature. Paul Whelan looks more the aristocrat and has potentially the nobler young voice, but is cast as Figaro, for which his stiff and unsmiling manner is inappropriate. Claire Bradshaw makes a lively, tousle-headed Cherubino. Fiona Kimm is luxury casting as Marcellina, which pays off. She wins more laughs than usual and that is also true of this *Figaro* as a whole.

Sponsored by Bank of Scotland. Further performances in Glasgow until February 11

Rigoletto returns

This seems to be Jonathan Miller month in London. While his new production of *Cosi fan tutte* is playing at the Royal Opera House, the rival establishment down the road has brought back his mafioso production of *Rigoletto*, the target of several attempted assassinations by those in the administration who would like to see it ditched, but still staggering on for another series of performances.

At English National Opera Miller's productions have come in two sizes, his Mozart has been lightly suggestive and rather bland, the others have mostly been unabashed concept productions – especially in the bolder Italian repertoire like his fascist *Tosca* and this *Rigoletto*. Thirteen years on, the idea of setting Verdi's opera among the Italian mafia of New York should work as well now as it did when it was new, but that depends on the company keeping the show fresh.

Its vitality in 1982 came from the rigour with which Miller put any thought of routine out of reach. Now it looks as though the cast can lay their hands on nothing else: wave arms to begin aria, beat breast as music gets louder, sink to knees at final climax – every tired movement lifted from the rehearsal director's dog-eared handbook. Where production ideas were once made with sleight of hand, they are now crudely underlined.

The first half of the evening probably would have fallen flat even if the conductor, Guido Johannes Rumstadt, had kept the music's Italian rhythm and drive on a tighter rein. He did, however, accompany his singers sympathetically, even down to allowing a multitude of unwritten top notes which were certainly banned back in the 1980s. As Rigoletto, Michael Lewis made full use of the extra licence, singing cleanly, and with clear words, but he externalises the role so completely that there is nothing left but the empty shell of melodrama.

David Rendall now sounds as far from a plausible Duke as English tenors can get; it was difficult to know which was more disturbing, the tearing sound on his top notes or the lack of a core to the voice lower down. John Connell turned Sparafucile into a plain thug, missing any sense of the sinister. Sara Fulgoni was a telling, sexy Maddalena.

Above all soared the Gilda of Rosa Mannion, the only one to colour her music with subtlety, despite the lingering effects of a cold. Her singing of "Tutte le feste", or rather its English equivalent, lifted the performance on to a higher plane. And from there Verdi's genius does not let up until the end.

R.F.

Sponsored by Woolwich Building Society. Further performances at the London Coliseum until March 1

Television/**Christopher Dunkley**

A modern day Sweeney

The people at ITV say that when they announced they wanted to bring action adventure drama back to the screen (had you noticed its absence?) they received "over 60 pitches" from programme makers. And having looked through all 60 they decided, it seems, that what was most lacking was the sort of programme in which one lot of people say things like "They're probably blagging some duff Post Office van in Pimlico" and "Yes Guv, in position, any chance of a fag?" while the other lot say "Izzis some kinda windup or sunnink?" and "There I am standing with me shopping basket lookin' a right nonce when I'm staring at this slag who bounced me in Kilburn". Right, you guessed: not a modern dress version of Aeschylus, nor a series about computer programmers, but ... cops and robbers. How about that for originality?

The pilot for this series called *Thief Takers* will be screened in the nine o'clock slot on Wednesday. Nobody is actually promising that there will ever be another episode, but given that the executive producer is Ted Childs, one of the top names in the business, the producer is Gina Cronk who worked on ITV's consistently excellent half-hour police series *The Bill* for four years, and it all looks very slick and expensive (night shots of London from a helicopter, big cast, lots of outdoor locations) there would be some very long faces if ITV decided *not* to go for it in a big way.

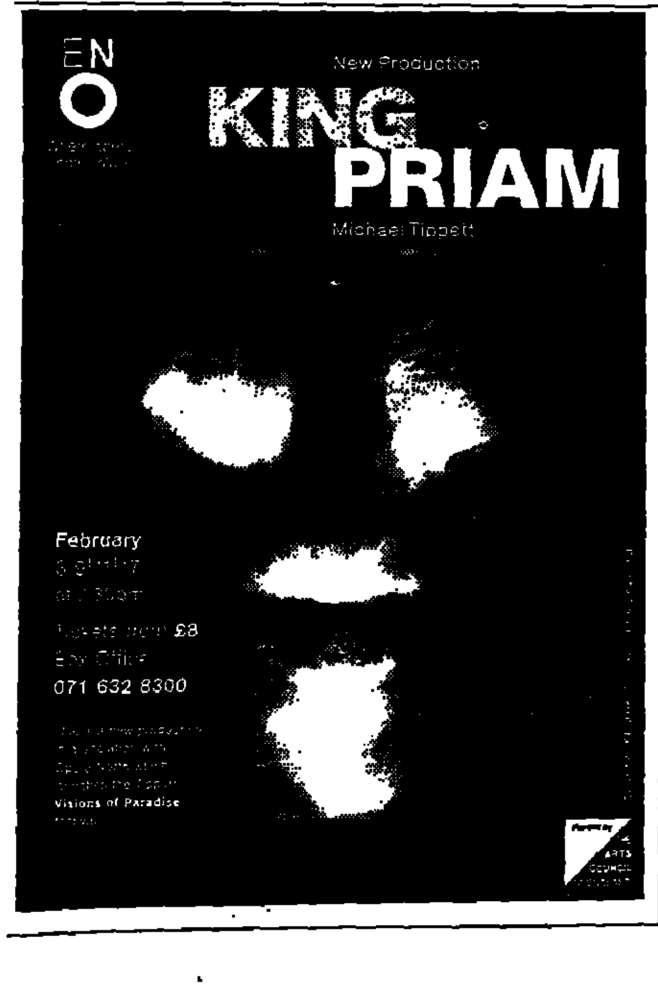
To be fair, there must always be room on television for a new series, however hackneyed the subject, provided it is really good. When BBC1 and ITV launched *Between The Lines* and *Cracker* it was pretty quickly apparent that they were two of the best police series ever made for British television. Is *Thief Takers* as good? Well, not quite as thoughtful as *Between The Lines*, nor as strong on psychology as *Cracker*, but then that is not what it claims to provide. In the "action adventure" police category you have to go back to *The Sweeney* for a truly outstanding British series and, judged solely on this pilot episode, *Thief Takers* compares pretty well.

That is hardly surprising since *Thief Takers* is, essentially, a modern day *Sweeney*: the executive producer is the same man (Childs) and the subject in both cases is the Flying Squad, even if that famous outfit is now officially named the Armed Robbery Squad. It is still known as the Sweeney down at the Goat and Compasses. *The Sweeney* was often enhanced by a powerful tension, a sense of tightly contained fear, giving it an edge which was never achieved by *The Professionals*, *Dempsey And Makepeace* or any of the other aspiring "action adventure" police series. Yet there it is again in Wednesday's pilot of *Thief Takers*.

It is not just a question of violence. Indeed, our nanny state ensures that the British public – most mollycoddled in the civilised world – is not allowed to see on television today the sort of slam-bang pickaxe handle violence featured in *The Sweeney*, which first appeared on our screens 20 years ago this month. It comes more from the skill of the script writing, the professionalism of the filming, and a gut feeling for metropolitan lowlife. It is a feeling which – as the film noir output from the Warner Brothers studios proved in the 1940s – can be much magnified by a strong visual style. In Wednesday's drama, about a gang that robs supermarkets but contains a grass within its ranks, director Colin Gregg conveys the same feeling of truly inhabiting the city where the action occurs (London of course) as *The Sweeney* did.

There are some beautiful set-piece shots, as of the long line of armed police sprinting silently across the hotel lobby. More important, however, are the mundane set ups in underground station car parks, modern housing developments, and old Thames hideaways. So far as atmosphere goes, these are at least as significant as the domestic details of the police: the French wife, the husband impatient with his wife's long hours, and the sergeant who "shags his snout" as they say in the charming argot of the London crime world.

Unless you have acquired your first television this week, nothing in *Thief Takers* will greatly surprise you, especially not the twist in the identity of the grass. But it could well entertain and even excite you.



INTERNATIONAL ARTS GUIDE

What's on in the principal cities

■ AMSTERDAM

CONCERTS
Het Concertgebouw Tel: (020) 671 8345
● Lazar Berman: pianist plays Listz as part of the masterpianist series at 8.15 pm; Jan 29
● Semiramide: by Rossini. Ion Marin conducts the Royal Symphony Orchestra at 1 pm; Jan 28

GALLERIES
Rijksmuseum Tel: 020 673 21 21
● Art of Devotion 1300-1500: major winter exhibition focusing on the spiritual function of objects in the medieval period; to Feb 26 (Not Sun)
● Marbled, Chintz and Brocade Paper: an exhibition of decorated paper manufactured in and imported to the Low Countries in the 17th Century; to Feb 12

■ BALTIMORE

THEATRE
Center Stage Tel: (410) 685 3200
● Slavs!: Thinking About The Longstanding Problems of Virtue and Happiness, written by Tony Kushner, directed by Lisa Petyerson at 8 pm; to Feb 18

■ BARCELONA

GALLERIES
Museu Picasso Tel: (93) 319 69 02
● Picasso's Early Works: 220 , *drawings and paintings from the* period 1890-1912; to Feb 12 (Not Mon)

■ BERLIN

GALLERIES
Neue Nationalgalerie Tel: (030) 2662653
● George Grosz, Berlin-New York: exhibition of the German Dadist who emigrated to the US; to Apr 17

OPERA/BALLET
Deutsche Oper Tel: (030) 3 41 92 49
● Aida: by Verdi. Conductor Stefan Soltesz, production by Götz Friedrich at 7 pm; Jan 28 (6 pm)
● Der Fliegende Holländer: by Wagner. Conducted by Heinrich Hollreiser, production by Gustav Rudolf Sellner at 7.30 pm; Jan 31,
● L'Italiana in Algeri: by Rossini. Conducted by Ion Marin/Carlo Rizzi, produced by Jérôme Savary at 7 pm; Feb 4

■ BOLOGNA

OPERA/BALLET
Teatro Comunale Tel: (051) 529999
● Macbeth: opera in four parts by the Deutsche Oper Berlin. Music of Verdi at 8.30 pm; Jan 28, 31; Feb 2, 5 (3.30 pm)

■ BONN

GALLERIES
Kunst-und Ausstellungshalle Tel: (0228) 9171 236
● Wunderkammer of the Occident: a journey through the history of European museums and collections, with more than 2,000 objects that have been collected by Europeans since the Renaissance; to Feb 26 (Not Mon)

OPERA/BALLET
Oper Der Stadt Tel: (228) 7281
● Carmen: by Bizet. A new production by Gian-Carlo del Monaco, with conductor Michel Sasson. *In French with German* surtitles at 8 pm; Jan 31; Feb 4 (7 pm)
● Der Ewige Frieden: by Schwertsik. *A new* production by Jürgen Tamchina with conductor Dennis Russel Davies at 8 pm; Jan 28 (7 pm)

● Tanhäuser: by Wagner. Conducted by Jiři Kout, production by Götz Friedrich at 6 pm; Jan 29; Feb 5
● The Sleeping Beauty: music by Tchaikovsky. Produced and choreographed by Youri Vámos, conducted by Michel Sasson at 8 pm; Jan 29 (7 pm)
● Tutiguri: by Rihm. Choreographed by Moses Pendleton, conducted by Arturo Tamayo at 7.30 pm; Feb 2, 3

■ DUSSELDORF

GALLERIES
Kunstmuseum Düsseldorf Tel: (0211) 8992460
● Daniel-Henry Kahnweiler: a visual summary of the German curator's work with pieces by Gris, Braque, Léger , Klee and Picasso; to Mar 19

■ FRANKFURT

CONCERTS
Alte Oper Tel: (069) 1340 400
● North West German Philharmonie: with soprano Gail Gilmore, and conducted by Michail Jurowski plays a variety of operatic pieces at 8 pm; Jan 28

GALLERIES
Schirn Kunsthalle Tel: (069) 29 98 82 11
● Asger Jorn - Retrospective: 167 works by the Danish painter. The fifth chapter in a series of presentations of postwar European artists.; to Feb 12

■ LONDON

CONCERTS
Barbican Tel: (0171) 638 8891
● Pierre Boulez: conducts the London Symphony Orchestra to play

Man Ray from the Collection Thomas Walther, New York Hugo Glendinning

Debussy, Bartók and his own, 'Le Visage Nupital' as part of his 70th *birthday celebrations at 7.30 pm; Jan* 29
● Tippett: Visions of Paradise: opening concert of the 'Visions of Paradise' festival that celebrates the 90th birthday of one of the most eminent living British composers. Sir Colin Davis conducts the London Symphony Orchestra to play Mozart and Tippett's own, 'A Child of Our Time' at 7.30 pm; Feb 5
Festival Hall Tel: (0171) 928 8800
● BBC Symphony Orchestra: with the BBC Symphony Chorus under the direction of Jiri Bělohlávek plays Mozart and Martinu at 7.30 pm; Jan 28
● Handel: Messiah: Charles Francome conducts the Royal Philharmonic Orchestra and soprano Turid Karlsen, contralto Ruby *Philogene, tenor* Hirohisa Tsuji and bass Hubb Claessens at 7.30 pm; Feb 1
● Nikolai Demidenko: plays Beethoven, Schubert and Listz as part of the International Piano Series at 3.30 pm; Jan 29
● Philharmonia Orchestra: conducted by Lawrence Foster plays Rossini, Paganini and Tchaikovsky at 7.30 pm; Jan 30; Feb 4
● Royal Philharmonic Orchestra: with pianist Eliso Virsaladze and conductor Yuri Temirkanov plays Britten, Prokofiev and Shostakovich at 7.30 pm; Jan 31
● The London Philharmonic: jazz meets the symphony. Conductor Lalo Schifrin this fusion of classical and jazz traditions at 7.30 pm; Jan 29
● Vienna Philharmonic Orchestra: Bernard Haitink conducts Bruckner's Symphony No. 8 at 7.30 pm; Feb 2
Queen Elizabeth Hall Tel: (0171) 928 8800
● The 1995 Mozart Birthday Concert: the Britten Quartet with Norbert Blume (viola) and Leon McCawley (piano) at 3 pm; Jan 29

GALLERIES
Barbican Tel: (0171) 638 8891
● Impressionism in Britain: the first comprehensive survey of the development of Impressionism in Britain. Over 200 works by over 100 artists including Degas, Rothenstein and Whistler; to May 7
British Museum Tel: (0171) 636 1555

● Byzantium: treasures of Byzantine art and culture from British collections; to Apr 23 (Not Sun)
Festival Hall Tel: (0171) 928 8800
● It's a Pleasure: an exhibition of nine contemporary artists; to Feb 19
ICA Tel: (0171) 930 3647
● The Institute of Cultural Anxiety: works of art and science by young British artists such as Angela Bulloch, Liam Gillick alongside works by more established artists such as Jeff Koons and Julian Opie; to Feb 12
National Portrait Tel: (0171) 306 0055
● Christina Rossetti: an exploration of the Victorian poet on the centenary of her death; to Feb 12
Royal Academy Tel: (0171) 439 7438

● Poussin: over 90 works by the French artist. Centerpiece of the exhibition are the two series of the 'Seven Sacraments'; to Apr 9
Serpentine Tel: (0171) 402 0343
● Man Ray: exhibition of works by the celebrated artist; to Mar 12
Victoria and Albert Tel: (0171) 938 8500
● Streetstyle: tribal dress codes from Harlem in the 40's to new age travellers in the 90's; to Feb 19
● Warworks: women photography and the art of war. A perspective of war through the eyes of international women artists; to Mar 19

OPERA/BALLET
English National Opera Tel: (0171) 632 8300
● Figaro's Wedding: in house debut for conductor Derrick Inouye at 7 pm; Jan 28
● King Priam: a new production of Tippet's opera that opens the London festival - Tippet: Visions of Paradise, to celebrate the composers 90th birthday at 7.30 pm; Feb 3
● Rigoletto: Jonathan Miller's updated version of Verdi's opera where the duke is a mafia boss at 7.30 pm; Feb 1, 4
Royal Opera House Tel: (0171) 340 4000
● Cosi Fan Tutte: by Mozart. A new *production directed by Jonathon* Miller. Conductor Evelino Pidó. In Italian with English surtitles at 7 pm; Jan 28, 31; Feb 3, 6
● Der Rosenkavalier: by Strauss. Conduvcted by Andrew Davis, directed by John Schlesinger. Soloists include Felicity Lott/Anna Tomowa-Sintow as Prinzess von Werdenberg at 6.30 pm; Feb 4 (5.30 pm)
● Otello: by Verdi. Conductor Carlo Rizzi, director Elijah Moshinsky. In Italian with English surtitles at 7.30 pm; Feb 1
● Troilus and Cressida: by Walton. An Opera North production conducted by Richard Hickox and directed by Matthew Warchus at 7.30 pm; Jan 30; Feb 2

THEATRE
Barbican Tel: (0171) 638 8891
● New England: Richard Nelson's new play at 7.15 pm; Feb 3, 4
Gielgud Tel: (0171) 494 5065
● Hamlet: by Shakespeare. Directed by Peter Hall, designed by Lucy Hall. With Stephan Dillane, Michael Pennington, Donald Sinden and Gina Bellman at 7.15 pm; (Not Sun)
National, Cottesloe Tel: (0171) 928 2252
● Two Weeks with the Queen: adapted by Mary Morris from the novel by Morris Gleitzman. Alan Aykbourne directs at 7.30 pm; Jan 28 (2.30 pm)
National, Lyttelton Tel: (0171) 928 2252
● Broken Glass: a new play by Arthur Miller, directed by David Thacker at 7.30 pm; Jan 31; Feb 1, 2 (2.15 pm)
● Out of a House Walked a Man: by Daniil Kharms. A Royal National Theatre and Theatre de Complicite co-production of a collection of musical scenes by the Russian absurdist writer at 7.30 pm; Jan 28 (2.15 pm) , 30; Feb 6
● The Children's Hour: by Lillian Hellman, directed by Howard Davies at 7.30 pm; Feb 3, 4 (2.15 pm)
National, Olivier Tel: (0171) 928 2252

● The Merry Wives of Windsor: by Shakespeare. Terry Hands directs his first production at the National. With Denis Quilley as Falstaff, Brenda Bruce as Mistress Quickly and Geraldine Fitzgerald as Mistress Ford at 7.15 pm; Jan 28 (2 pm) , 30; Feb 6

● The Wind in the Willows: Edward Kemp's recreation of Nicholas Hytner's original production by Alan Bennett, adapted from the novel by Kenneth Grahame at 7.15 pm; Jan 31; Feb 1 (2 pm) , 2, 3, 4 (2 pm)
Riverside Studios Tel: (0181) 741 2251
● Hancock's Last Half Hour: by Heathcote Williams, directed by Mark Piper. Set in a Sydney rented apartment, Jim McManus relives comedian Tony Hancock's last hours at 8 pm; to Feb 11 (Not Sun)
Royal Court Tel: (0171) 730 1745/ 2554
● The Libertine: by Stephen Jeffreys, directed by Max Stafford-Clark. Comedy based on the works of the 2nd Earl of Rochester at 7.30 pm; to Feb 18
Wyndhams Tel: (0171) 369 1736
● Three Tall Women: by Edward Albee, directed by Anthony Page. With Maggie Smith, Frances de la Tour and Anastasia Hille at 8 pm; (Not Sun)

■ LOS ANGELES

CONCERTS
Dorothy Chandler Pavilion
● Radu Lupu: Rumanian pianist plays Bartók, Schumann and Schubert at 7.30 pm; Feb 5

■ MADRID

GALLERIES
Mercado Puerta de Toledo Tel: (91) 366 7200
● The Golden Age of Dolls: exhibition marking the 'Golden Age' of toy making (1840-1940), and its social impact. Over 800 exhibits; to Feb 24
Reina Sofia Tel: (91) 468 30 02
● Salvador Dalí: the early years; to Jun 16

■ MUNICH

GALLERIES
Kunsthalle der Hypo-Kulturstiftung
● Paris-Belle Epoque: An evocation of the period from 1880 to 1910, with paintings, drawings, posters, photographs, glass and furniture; to Feb 26

■ NEW YORK

GALLERIES
Metropolitan
● Early Renaissance Florence: 100 panel paintings and manuscript illuminations by masters of the Gothic *style; to Feb 26 (Not Mon)*
● Thomas Eakins: exhibition honoring the 150th anniversary of the birth of the artist. This installation of about 30 works from the museums holdings explores the museums continuing interest in Eakins; to Feb 26
Museum of Modern Art Tel: (212) 708 9480
● Kandinsky: Compositions: *exhibition featuring approximately* forty works including seven of the surviving 'Composition' paintings; to Apr 25
Whitney Museum
● Franz Kline: Black and White 1950-61: major Abstract Expressionist works from the last decade of the artist's life; to Mar 12

OPERA/BALLET
Metropolitan Tel: (212) 362 6000
● Cavalleria Rusticana / Pagliacci: by Mascagni/Leoncavallo. Production by Franco Zefirelli, conductor Christian Badea at 8 pm; Feb 1, 4
● Il Barbiere di Siviglia: by Rossini. Produced by John Cox, conducted by *David Atherton at 8 pm; Feb 6*
● L' Elisir d' Amore: by Donizetti. Produced by John Copely, conducted by Edoardo Müller at 8 pm; Jan 28; Feb 3
● Le Nozze di Figaro: by Mozart. Produced by Jean-Pierre Ponnelle, conducted by James Levine at 8 pm; Jan 28 (1.30 pm)
● Simon Boccanegra: by Verdi. A new production directed by Giancarlo del Monaco. James Levine conducts the opening *night* cast of Cheryl Studer, Plácido Domingo and Vladimir Chernov at 8 pm; Jan 30; Feb 2
● Turandot: by Puccini. Produced by Franco Zeffirelli, conducted by Nello Santi at 8 pm; Jan 31; Feb 4

THEATRE
Atlantic Tel: (212) 645 1242
● Trafficking in Broken Hearts: by Edwin Sanchez, directed by Anna D. Shapairo. Love story set in New York; to Jul 1
Jean Cocteau Repertory Tel: (212) 677 0060
● The Cherry Orchard: by Chekov. A new production directed by Eve Adamson at 8 pm; to Mar 3
Joseph Papp Public Theatre Tel: (212) 598 7150
● The Merchant of Venice: by Shakespeare. Directed by Barry Edelstein, and with Ron Leibman playing Shylock at 8 pm; from Feb 5 (Not Mon)
Mitzi E Newhouse Tel: (212) 239 6200
● Hapgood: by Tom Stoppard. New York premiere of the play about the head of a UK government espionage agency. Directed by Jack O'Brien, and starring Stockard Channing at 8 pm; (Not Mon)
New York State Theater Tel: (212) 870 5570
● Slavs!: Thinking About the Long Standing Problems of Virtue and Happiness. Tony Kushner's latest work directed by Lisa Peterson at 8 pm; (Not Mon)
Promenade Theatre Tel: (212) 239 6200
● Three Tall Women: Edward Albee's Pulitzer Prize winning drama about a 92 year old widow contemplating her life. Sun. 3pm, otherwise at 8 pm; (Not Mon)
Ridiculous Theatre Tel: (212) 691 2271
● Carmen: a not so serious production by the Ridiculous Theatrical Company. Sun. at 7 pm, otherwise at 8 pm; to Jan 29 (Not Mon)
Roundabout Theatre Company Tel: (212) 869 8400
● The School for Husbands/ The Imaginary Cuckold: by Molière. Michael Langham directs this Richard Wilbur translation starring Brian Bedford at 8 pm; from Feb 2 to Mar 12 (Not Mon)
Union Square Tel: (212) 307 4100
● Vita and Virginia: by Eileen Atkins. The relationship between Virginia Woolf, (played by Atkins) and Vita Sackville-West (played by Vannesa Redgrave). Zoe Caldwell directs at 8 pm; (Not Mon)

■ PARIS

CONCERTS
Champs Elysées Tel: (1) 47 23 37 21/47 20 08 24
● London Symphony Orchestra: with soprano Jessye Norman. Pierre Boulez conducts Berg, Bartók and his own compositions at 8.30 pm; Feb 1, 2
● Maxim Vengerov and Itmar Golan: an evening of violin and piano recitals by Mozart, Beethoven, Prokofiev and Shostakovich with violinist Vengerov and pianist Golan at 8.30 pm; Feb 6
● Viennese Philharmonic Orchestra: Bernard Haitink conducts Bruckner at 8.30 pm; Jan 30

GALLERIES
Georges-Pompidou Tel: (1) 42 77 12 33
● Kurt Schwitters: exhibition of works by the German Dadaist; to Feb 20
Musée d'Art Moderne, Ville de Paris Tel: (1) 47 23 61 27
● André Derain: 350 works spanning his entire career; to Mar 19 (Not Mon)

OPERA/BALLET
Opéra Comique Tel: (42 96 12 20
● Lakmé: By Delibes. Conducted by Frédérico Chaslin and produced by Gilbert Blin at 7.30 pm; from Jan 31 to Feb 18

■ PRAGUE

GALLERIES
Old Royal Palace Tel: (2) 3337 2272
● Master Theodorik: panel paintings from the Holy Cross Chapelat Karlštejn; to Apr 10 (Not Mon)

CONCERTS
Rudolfinum Tel: (2) 2486 3227
● Prague Symphony: Maxim Shostakovich conducts compositions by his father Dimitri, and also Beethoven at 7.30 pm; Feb 1

OPERA/BALLET
Státní opera Praha Tel: (2) 265353
● Otello: a State Opera production at 7 pm; Feb 2

■ THE HAUGE

GALLERIES
Gemeentemuseum Tel: (070) 33881111
● Piet Mondrian: exhibition of 147 works on the 50th anniversary of the artist's death; to Apr 30

■ VIENNA

GALLERIES
Kunsthalle
● Oskar Schlemmer: a comprehensive survey of work by the Bauhaus artist. Closed Tue; to Jan 29

■ WASHINGTON

CONCERTS
Kennedy Centre Tel: (202) 467 4600
● Washington Chamber Symphony: Stephen Simon conducts Tower, Mozart and Mendelssohn at 7.30 pm; Feb 3, 4

GALLERIES
Corcoran Tel: (202) 638 3211
● Family Lives: photographs by Tina Barney, Nic Nicosia and Catherine Wagner. Exhibition explores the power of photography to subvert or reinvent our experience and understanding of events and relationships; to Feb 13
National Gallery Tel: (202) 737 4215
● Italian Renaissance Architecture: Brunelleschi, Sangallo, Michelangelo, the Cathedrals of Florence, Pavia and St. Peter's; to Mar 19
Sackler Tel: (202) 357 2700
● A Basketmaker in Rural Japan: examples of all 103 designs by Hiroshima Kazuo, the worlds greatest basketmaker; to Jun 9
● Landscape as Culture: Lois Conner travels through Asia recording architecture and landscapes with her 100 year old banquet camera; to May 30
● Paintings from Shiraz: the arts of the Persian book created in the city of Shiraz during the 14th -16th century; to Sep 24

OPERA/BALLET
Washington Opera Tel: (202) 416 7800
● Semele: by Handel. Conductor Martin Pearlman. Roman Terleckyj directs a Zack Brown production at 8 pm; Feb 2, 6 (7 pm)
● The Bartered Bride: by Smetana. Conducted by Heinz Fricke. In English at 7 pm; Jan 30; Feb 1, 3, 5 (2 pm)
● Vanessa: by Samuel Barber. Director Michael Kahn, conductor Christopher Keene at 8 pm; Jan 29 (2 pm)

THEATRE
Arena Stage Kreeger Theater Tel: (202) 554 9066
● Hedda Gabler: Henrik Ibsen's drama, directed by Liviu Ciulei and translated by Christopher Hampton at 7.30 pm; to Mar 19 (Not Mon)
Arena Stage, Fichandler Theater Tel: (202) 488 3300
● Long Day's Journey into the Night: Eugene O'Neill's classic American drama, directed by Douglas Wager at 7 pm; to Feb 5 (Not Mon)
Kennedy Centre Tel: (202) 467 4600
● How to Suceed in Business Without Really Trying: co-production with the Kennedy Center. Directed by Des McAnuff and starring Matthew Broderick as J. Pierrepont Pinch, the little window-washer with big corporate dreams at 8 pm; from Jan 29 to Feb 26 (Not Mon)
Roundhouse Theater Tel: (301) 933 1644
● Dog Logic: by Tom Strelich, directed by Jerry Whiddon at 8 pm; to Feb 19 (Not Mon)
Studio Theater Tel: (202) 332 3300
● Conversations with My Father: Herb Gardner's autobiographical work, directed by John Going. Sun 2pm and 7pm otherwise at 8 pm; to Feb 5 (Not Mon)

■ ZURICH

GALLERIES
Kunsthaus Zürich
● Degas-The Portraits: a major new exhibition on the portraits of Edgar Degas; to Mar 5

OPERA/BALLET
Opernhaus Tel: (01) 262 09 09
● Der Freischütz: By Weber. Conducted by Nikolaus Harnoncourt and produced by Ruth Berghaus. Soloists include Inga Nielsen and Malin Hartelius at 7.30 pm; Feb 3
● Die Fledermaus: by Strauss. Conducted by Franz Welser-Möst and produced by Robert Herzl at 7.30 pm; Feb 1
● Linda di Chamounix: by Donizetti. Premiere conducted by Adam Fischer and produced by Daniel Schmid. In Italian at 7.30 pm; Jan 28, 31
● The Masked Ball: by Verdi. Conducted by Franz Welser-Möst and produced by Michael Hampe at 7.30 pm; Jan 29 (6 pm) ; Feb 2, 5 (4 pm)

CHESS

Amateur chess players often distrust isolated central pawns. Experience of pieces ganging up prior to a capture, or of knights snugly blockading them, convinces many that such pawns are just a liability.

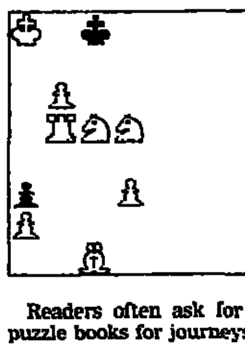
Grandmasters think differently, especially with an isolated queen's pawn on d4 which can occur in several popular openings. An IQP, handled well, has the dynamic potential to advance to d5 and beyond. At d7, it bisects defenders and threatens to promote; at d6, it creates outposts at c7 or e7 which launched a decisive attack in this game (A Yusupov, White; P van der Sterren, Black; Amsterdam 1994).

1 d4 d5 2 c4 e6 3 Nc3 Nf6 4 cxd5 Nxd5 exd5 is the normal Queen's Gambit. 5 e4 Nxc3 6 bxc3 c5 7 Nf3 7 a3!? is interesting to prevent exchange of bishops. cxd4

8 cxd4 Bb4+ 9 Bd2 Bxd2+ 10 Qxd2 0-0 11 Bd3 Nc6?! b6 and Bb7 is less provocative. 12 Qc3 Bd7 13 Rb1 Rc8 14 Qd2 Be8 15 d5! exd5 16 exd5 Ne7? This encourages d5-d6 which White wants to play, so Na5! 17 d6! Ng6 18 Bxg6 hxg6 19 0-0 b6 20 Rfe1 Rc5 If Rc6 21 Rbd1 plans Ne5 and d7. 21 Rac1 Bc6 If Rxc1 22 Rxc1 the rook reaches c7. 22 Rxc5 bxc5 23 Ne5 Qa8 24 f3 Rd8 25 Nxf7! Resigns. If Kxf7 26 Re7+ Kg8 27 Qc3 forces mate.

A series-helpmate in 24 moves (by N Sikdar, The Problemist 1994). Less alarming than it sounds: Black makes 24 successive moves, neither moving into nor delivering check, then White mates in one.

It looks impossible for Black, with only a king and a pawn, to create such a position; but a precise series achieves the aim. This puzzle took me 20 minutes; can you do better?



Readers often ask for chess puzzle books for journeys. Two currently available are *Chess Travellers Quiz Book* by Julian Hodgson (Cadogan, £7.99) and *Test Your Chess IQ* by A Livshitz (Cadogan, £9.95). Try the BCM chess shop (071-603 2877) or the London Chess Centre (071-388 2404) for copies.

Solution, Page XIII

Leonard Barden

BRIDGE

Today's hand is from rubber bridge. Here is Early Endplay:

N
♠ 5 4
♥ 10 9 3
♦ Q 10 9 5
♣ Q 10 9 3

W	E
♠ A Q J	♠ 10 9 8 6 2
♥ 8 4 2	♥ 7 6
♦ A K J 8 4	♦ 6 3 2
♣ 6 5	♣ 8 7 2

S
♠ K 7 3
♥ A K Q J 5
♦ 7
♣ A K J 4

With both sides vulnerable, West dealt and opened the bidding with one diamond. North and East passed, and South thought his hand good enough for a re-opening bid of two diamonds. North replied with two no trumps, and raised South's rebid of three hearts to four.

West led the diamond ace, and shrewdly switched to the two of hearts. Declarer paused to take stock. The trump switch by West had put paid to any chance of ruffing a spade, as a trump would be led each time he lost the lead. How could he avoid the loss of three spades in addition to the diamond trick already conceded? Suddenly came the dawn.

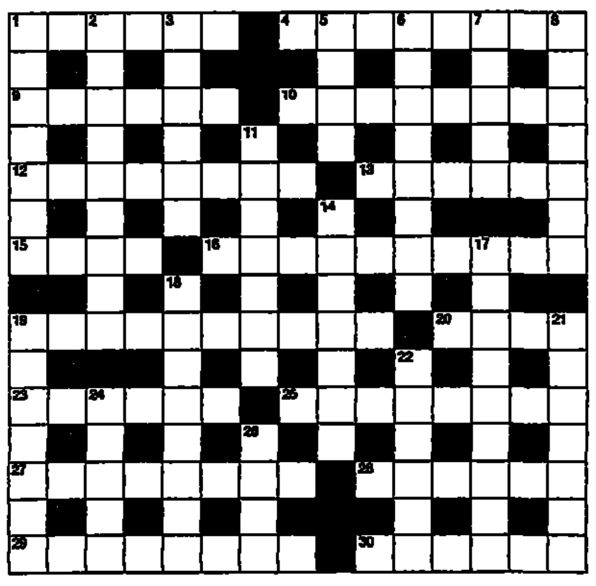
Winning with the heart nine, he drew two further rounds of trumps with ace and king, cashed ace, king of clubs,and crossed to the 10. The elimination was complete. Dummy's diamond queen was played, on which declarer discarded his three of spades, and . . . claimed the rest. As he pointed out, West could not avoid setting up the 10th trick. A spade lead would establish the declarer's king; if a diamond was led, dummy's 10 would win at once, or if East happened to hold the knave and covered, a ruff would establish the nine. There was still a club entry to the table.

E.P.C. Cotter

CROSSWORD

No. 8,672 Set by DANTE

A prize of a classic Pelikan Souverän 800 fountain pen, inscribed with the winner's name for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers. Solutions by Wednesday February 8, marked Crossword 8,672 on the envelope, to the Financial Times, 1 Southwark Bridge, London SE1 9HL. Solution on Saturday February 11.



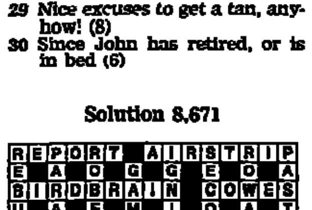
Name..........

Address..........

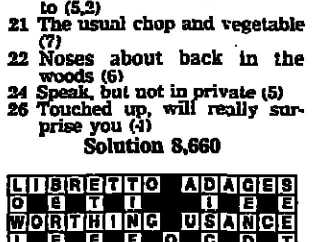
ACROSS
1 Pointless information? (3-3)
4 It's rather twee, my love (8)
9 Boo, rowdily, the first musician (6)
10 Enemy deserter I'm hiding temporarily (3,1,4)
12 Shows one's disapproval of the hard, fast services (8)
13 Tight as Olive was at the cocktail party (6)
15 One among many returning to work (4)
16 Did he teach the children to walk? (10)
19 In retribution, set his men adrift in a boat (10)
20 Mistake for pop (4)
23 When about to munch on a nut (6)
25 To him, work may be a strain (8)
27 Tries to get the lot on the inside for vegetables (8)
28 Decline to be beaten (2,4)
29 Nice excuses to get a tan, anyhow! (8)
30 Since John has retired, or is in bed (6)

DOWN
1 Fancied the idea (7)
2 A stock clause (9)
3 About a Southern Calif. combine – financial (6)
5 Creature with feathers and fleece (4)
6 Ovation some are standing to give to the hogwash! (8)
7 Working one over in the vegetable garden (5)
8 The second person advancing: the reedy type (7)
11 Coin 1 embedded in the setting cement (7)
14 What I think is a roundel on the wing (7)
17 Good gracious, does that mean the blessed thing's on fire? (4,5)
18 Together with being equally fit (2,4,2)
19 Learns when one gives a lift to (5,2)
21 The usual chop and vegetable (7)
22 Noses about back in the woods (6)
24 Speak, but not in private (5)
26 Touched up, will really surprise you (4)

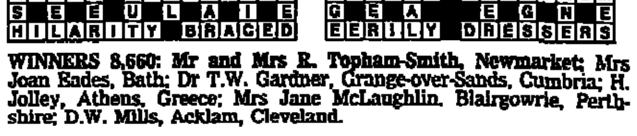
Solution 8,671



Solution 8,660



WINNERS 8,660: Mr and Mrs R. Topham-Smith, Newmarket; Mrs Joan Eades, Bath; Dr T.W. Gardner, Grange-over-Sands, Cumbria; H. Jolley, Athens, Greece; Mrs Jane McLaughlin, Blairgowrie, Perthshire; D.W. Mills, Acklam, Cleveland.



Peter Aspden

Technocrats are go! Italy rescued

The tribunes of the people have run amok in Rome again. Send for the men in grey coats . . .

Italian politics is difficult enough to understand at the best of times. Newspapers habitually talk of crisis and collapse, while all around people look relaxed, confident, cheerful; there is rarely much of a relationship between government rhetoric and everyday life, between politics and polity.

I was watching Italian television when Silvio Berlusconi's government "collapsed" last December, and one incident perfectly summed up the atmosphere of the evening: Gianfranco Fini, leader of the neo-fascist MSI/National Alliance grouping, arrived late and flustered in the studio because of the Roman traffic.

No sooner had he sat down than his questioner asked him what he would do to improve circulation on the roads. The two men talked, briefly and spontaneously, about traffic cones, one-way systems and road taxes. If he had been late because his hair-dryer had broken, we would presumably have heard all about the relative virtues of hair gel and styling mousse. Italian politics makes itself up as it goes along, with barely a shrug or a raised eyebrow to register any change in tone. Crisis, *ma che* crisis?

Occasionally, however, things go too far. And when matters are looking really dire, when there is no light at the end of the tunnel, when public ridicule threatens to swamp the credibility of the government in question, the authorities are forced to turn to their favourite solution: calling in the technocrats.

Now the technocrats are the *International Rescue* of Italian politics: mysterious, unelected officials who step into the breach whenever the nutty demagogues – sorry, the elected representatives of the people – have lurched out of control.

The latest example of the species, Lamberto Dini, asked by President Oscar Luigi Scalfaro to form a government after Berlusconi's resignation, is a fine example: learned, respected, apparently moderate in ambition and possessing genuine expertise in the important field of economics. And not a single television station to his name!

Technocrats are well-named, from the Greek *techne*, meaning art, skill, craft in work, cunning of hand. Surely just what any country facing crisis and collapse would need? When Dini's ministers – also technocrats – were sworn in earlier this month, security officers had to peer into their cars and check them against newspaper mugshots, so heroically anonymous were they.

All responses were positive: the lira bounced back from its historic low against the D-Mark, the Milan bourse sprang up from its doldrums, the whole country basked in the knowledge that the right people were in charge.

Which, of course, begs the most profound question of modern politics: if they are so clever, why aren't they running the country in the first place? Has western democracy become so servile to the inane demands of the mass media that the people who really *know* a thing or two about how to rule a modern economy are excluded by their very unassumingness?

We are all to blame. In truth, people would never actually vote for technocrats in the fever pitch of an election campaign: we all crave the rhetorical flourish of the polished performer, and if our candidates do not seem too hot on the more refined points of theory, who cares as long as they are rich, presentable, charming, convincing?

Every so often, however, we become so irritated by the infantile tones of our political culture, so tired of hearing about Bambi Blair's teeth, or John Major's underpants, that we crave any sign of seriousness, and shout: "Enough! Give us facelessness, give us boring apparatchiks with calculators, give us a philosopher-king, give us knowledge!"

And in come the technocrats: the safety valve of a democracy-gone-wrong, the *dei ex machina* we can always turn to when prospects look grim, who will not turn on us and remind us of our quinquennial acts of folly. In that stormiest of love affairs we share with democracy, technocrats mean never having to say you're sorry.

Letter from Kobe

After the shock

In the winter waters of Osaka Bay in the early morning of January 16, Akihiro Yamamoto was out fishing with a boatful of local people.

He runs a sports boat business on Awajishima Island a few miles from Kobe, and in winter, takes groups of customers to fish. Normally he would expect his customers to take home a haul of 30 or 40 cod each. But that morning they caught a mere handful.

On the other side of the Akashi Strait, Tatsuya Nagano was also having a fruitless morning. As he wondered what was wrong with the fish that day, he noticed something odd. Scanning the normally clear water he saw a murky brown substance swirling beneath the surface and turning it turbid. A few moments later a dead gizzard shad floated to the surface.

The fishermen believe that their strange experience was caused by some kind of disturbance in the sea bed that preceded the massive earthquake that hit the Kobe area next day. If they are right, and their eerie presentiment gave them some inkling of the disaster that was to strike, they were the only ones.

What has shocked the world is that a country like Japan, proud of its economic wealth and technological excellence, could have been brought so low by something that ought to have been so predictable. Japan is perhaps the most earthquake-prone country in the world. Its engineers and builders claim that no one has more experience of fighting them.

Yet the lack of preparedness was frightening, and, as a result, in spite of the billions of dollars a year spent on researching and implementing measures to prevent buildings from collapsing in earthquakes, one of the country's largest cities is now rubble.

> The problem in Japan is that what Japanese officialdom says goes

The construction industry's defence is already emerging. Early findings by engineers in Kobe suggest that no one is really to blame. The earthquake's magnitude was simply much greater than anything Japan had experienced before – therefore all construction standards, designed to prepare for the highest experienced shock in the past, were insufficient.

I asked one of them what the implications of this surprisingly simple finding were. "Now we have to make all buildings able to withstand a force on the scale of Kobe," he said. And what if the next earthquake is more powerful than the one at Kobe? "Well," he giggled nervously, "then the buildings will probably fall down again."

The problem is not that Japanese scientists and officials cannot foresee all eventualities – of course they cannot – Japanese scientists are more willing to acknowledge their fallibility than their western counterparts. The problem is, that what Japanese officialdom says goes. The scientists will recommend to the bureaucracy that the country should prepare for an earthquake of a certain magnitude. The bureaucracy will issue these recommendations as an edict, and the matter will close. The bureaucracy in Japan is all-powerful.

No one would dream of challenging the bureaucrat's right to decide. One American engineer in Kobe this week, put it like this: "When a relevant authority in the US issues a report recommending that buildings should be built in a certain way, there's a debate about it, usually a heated one. People challenge what the government says, and often force it to issue a new recommendation. That doesn't happen here."

That dialectic approach is completely alien to the Japanese. Decisions are only reached after everyone concerned (a narrowly defined group, which, in administrative questions includes only a few elite bureaucrats and experts), has contributed, then the decision is announced. To challenge that decision or question its premises is profoundly un-Japanese.

This week, Tomiichi Murayama, the prime minister, called for new legislation to enact special measures. But he was promptly told by his officials that it would not be necessary. The existing legislation – already approved by consensus, of course – was excellent, said one official.

That the system has its strengths is not in doubt. In wartime or in periods of reconstruction, it harnesses national unity for victory or recovery. Perhaps it has endured because even when it fails, it usually only produces a slight fall in the growth rate, or an upward twist of the money supply. But sometimes the consequences of failure can never be put right.

Gerard Baker

A writer's return to his Heimat

Judy Dempsey meets controversial east German Stefan Heym

Stefan Heym, east Germany's most prominent writer, was sitting in a sparsely furnished government apartment near Germany's Bundestag looking on to a small garden, a tiny oasis surrounded by Bonn's grey concrete buildings.

"It is kind of strange being a member of the Bundestag (the lower house)," he said, nearly four months to the day that, against all odds, he was elected by east Berliners on the ticket of the Party of Democratic Socialism, the reformed communist party of east Germany.

"It is strange because you do not know what kind of person they are reacting to. In my case, are they approaching the writer, or are they approaching the parliamentarian? Here I have to represent something. And with a certain dignity. If I did not have this job here at the Bundestag, I would feel less constrained."

Heym did not feel constrained when, as the oldest member of parliament – he will be 82-years-old in April – he was granted the honour of giving a speech to mark the opening of the new legislative period in November in the Reichstag.

It was supposed to be a day of celebration, and symbolism: an east German and Jewish writer, addressing the newly-elected deputies from east and west of the country. But Heym's address was marred by attempts by several politicians to discredit him.

Just 24 hours before he was due to deliver his speech, the Berlin political establishment tried to prove that he had collaborated with the Stasi, the former east German secret police.

"They wanted to get me out. They wanted to get me to the point, I think, that I would say, 'I am sorry boys, I have to resign.' But this was absolute nonsense from my point of view. I never said or had done anything that would be held against me. [The allegations] were timed to intimidate. This was a pretty dirty trick."

Those (including a Berlin senator) who tried, unsuccessfully, to force Heym to step down, underestimated his stubborness, and what the past had taught him.

Born in the east German city of Chemnitz in April 1913, the young Heym, son of a shopkeeper, was forced to flee his homeland in 1933. And yet, in common with a handful of other German Jews, he chose to return in the early 1950s.

What was it like being forced to leave your *Heimat* (homeland) and then to return to a very different Germany?

"I had to leave Germany in a rush. The Nazis were hot after me. I did not have time to have many feelings. I just had to run for my life."

Heym took a train to a border city and then crossed on foot over the mountains to Czechoslovakia. He stayed in Prague for a while and then in 1935 made his way to the US, where he studied in Chicago. Two years later, in 1937, he became editor of the New York-based Deutsches *Volksecho*, a German language newspaper.

Then he returned home.

"I came back as a soldier, wearing a US army uniform. That was a kind of triumph. But not much of a triumph because it was a very sad country to which I returned. The people were completely bewildered. Just as bewildered perhaps as the east Germans are now. There was a terrible depression. The rubble. The helplessness. The sense of defeat."

He went back for a while to the US. But at the height of the McCarthy period, he returned, but this time to a communist-run East Germany. It was 1952. "And it was a very difficult place to get accustomed to," Heym recalls.

The authorities at first welcomed him. "But only to a certain extent. They were suspicious to begin with as to why a man was coming from the US to East Germany, of all places. Then after a number of years, I began to become very critical as I began to see the mistakes and the failures which took place and the mistakes and failures which were existent in east Germany. From then on, my conflict with the governing forces in east Germany led to the point where I was tried in court."

The criticism came through in his writing. He considers his *Queen against the Foe*, published in the 1970s, as central to some of his main themes in his long career as a writer: the relationship between the writer/individual and the state. "This is a very important little book. It's about the conflict of the writer with power, and with the power of the state."

But did you have any conflict within yourself about returning, not only as a German but as a Jew to a country which forced you to leave because of your Jewishness and socialist views?

"Being here in Germany helps me to continue feeling as a Jew, and that past is very important to me. If you are living here, you cannot forget your origins."

What are those origins?

"It is hard to answer. Sometimes I feel myself as a Jew. Sometimes I feel myself a German. It is the way you look at things. And sometimes even I have American traces in my make-up. I am a kind of a mix, a mixed creature."

Given your past and your identity, did you ever think of leaving, or did you say, "No, I am going to sit this one out"?

"I am stubborn. I felt that socialism was a thing which was my thing, so much as it was a thing for Erich Honecker [the former communist party leader of East Germany]. I am sitting it out here too, you know. I could go away. But I am sitting it out in the Bundestag as well." It is as if Heym is warning his political opponents to steer clear of trying again to destroy or discredit him politically.

"You see, I learned to deal with secret services, first in the US and the little bit in Germany and in Czechoslovakia. I know pretty much what to do when they try to attack you. I have 30 volumes of *Stasi* files . . ."

The *Stasi* had 30 volumes on you alone?

"Yes, and it is another kind of biography, at least so it seemed to the police. Partly it is very fascinating and partly it is a bore because they [the Stasi reports] always say the same thing and have found the same thing: namely, nothing.

But the way in which the files have been used against you should perhaps suggest to you that they should be closed?

"In the beginning [of the process towards unification] I was on a commission, when the DDR still existed, to advise on what should be done with the files. I said then that it should be handled as in the United States. You should wait 30 years before opening them. Unfortunately they did open them. It was too much of a lure to open them and have political means to control people. They opened them and now it is too late. The spirit is out of the bottle."

But it was the east Germans who wanted the files opened?

"Partly. It wasn't quite a matter of the east Germans deciding alone. People were so upset and bewildered at that time that really no reasonable decision could be expected from them."

If the files are kept open, will they help us understand the nature of totalitarian power and why certain people refuse to collaborate and why others resist?

"To a certain extent, you can get an historical and psychological picture from the files. But mainly it is a picture of the workings of a police organisation. And those are never very pleasant. In other words, they smell. Just as anywhere. Only a little worse. If you want to study that, if you want to study the police and the workings of the police, the files are very good."

Mistakes have been made with the files?

"Because these agents, whether they are paid or not, official or unofficial, were not objective. They had an axe to grind and they ground it. And now this is treated as their text and their insights are treated as Gospel. That is wrong."

Attempts by the west German political establishment to use the files as a means of forcing Heym to resign also confirms his long-held belief that German unification is perhaps flawed.

What bothers Heym in particular about unification is that the west Germans think all problems can be solved by money. Bonn transfers at least DM150bn each year to east Germany to finance, among other things, the upgrading of the infrastructure and consumer spending.

"You cannot handle the whole thing as the west German establishment has been doing from the viewpoint of economic conditions. When I talk to west Germans, even the politicians in Bonn, I am always surprised about the lack of understanding they have for the other part of Germany.

"And that of course causes resentments in the east. The easterners feel as though they are not being treated as equals. And to a certain extent that is true. If you take the schools and universities, and industry, you will always find that the westerners have taken over the leading positions."

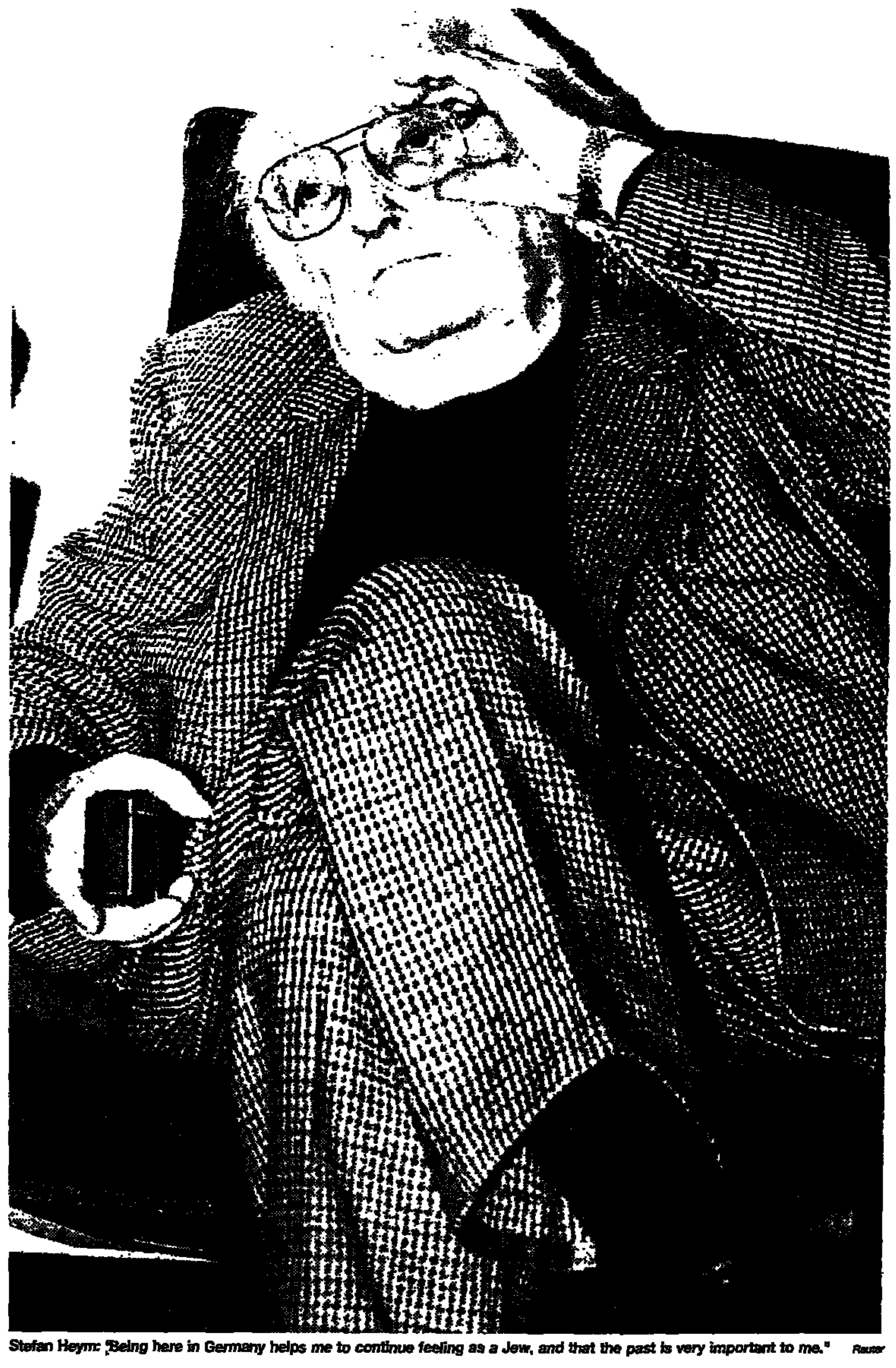
But it is more than that. It is the elbow which really bothers Heym.

"In Germany today, the most prominent part of the body is the elbow. And not the human heart. I am for an order of things in which the human heart is one of the most important parts."

Heym reckons there is little room for the human heart in the process of unifying the two Germanys. "It turned out that two unequal partners had come together. One partner was more or less swallowed up by the other. At the time, I said it was like a snake swallowing a porcupine."

It is pretty uncomfortable for a snake to swallow a porcupine.

"Yes. The snake will have digestive problems."



Stefan Heym: "Being here in Germany helps me to continue feeling as a Jew, and that the past is very important to me." Reuter

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As They Say in Europe / James Morgan

Waves of French passion

A kind reader in Switzerland wrote the other day to tell me of some interesting observations from the lips of Chancellor Kohl she heard in a television interview. In the nicest possible way she wondered if this column might not be improved if it kept a close eye, or ear, on the broadcast media.

This poses many difficulties but the underlying question has worried me: does one obtain a better idea of the soul of the nation through its television than its newspapers?

It is to France that one must turn if one is to examine the mystical link between a nation and its culture as reflected on the small screen. France, after all, fights a valiant battle in Brussels to protect Europe's cultural heritage against imports of cheap American rubbish.

I took on the task of monitoring much of the output of the two main French television channels last Monday to see why France is so sure of the value of its unique cultural identity.

The morning on TF1 is dominated by locally made drama series which elsewhere would be called soap operas. It would be a tragedy should any disappear under the Transatlantic onslaught. First I watched an entrancing episode of *Passions*. It told of the experiences of a young woman, Nadine, who, as they say, entertains any number of young men at her home. She is not, however, a prostitute because no money changes hands. But she does lead a marvellously, highly-charged and colourful emotional life, brought on I imagine by claustrophobia. The curtains of her small apartment are always tightly drawn, with good reason. The decor could be described as Moorish renaissance.

Nadine has a regular lover, but in this episode a rival called Mischa appeared on the scene. You could tell he was Russian for he had long grubby blonde hair, a bland, soulful expression and an ill-fitting green coat which Nadine rightly tore from him as they collapsed together on to a bean bag. The drama was in the minimalist tradition. One room, one camera and one light.

That was followed by a far flashier production: *Le destin du docteur Calvet*. Unlike *Passions*, it employs exterior shots and even views from windows, yet occasionally resorts to painting in the shadows on interior scenes. It provides a convincing portrayal of the menace of sexual harassment – how young women are forced to compromise their moral standards in the rough and tumble of the business world. In spite of the relative lavishness of this series, the producers still cleave to that economical rule that once dominated British TV drama – "If it's in the shot it's in the plot."

In one recent episode there was a dramatic scene on what must have been the 14th floor of a glass office block. Outside the sun beat down relentlessly on a day so still that the trees betrayed no movement. Nor did the river. Inside a shirt-sleeved villain was being intimidated by some ineffectual thug-cum-enforcer who was clad in what appeared to be a horsehair suit, a heavy raincoat tied up with a knotted belt and a tweed hat. One other character seemed to appear from a window, but one couldn't be sure.

As the daytime schedule wears on, standards deteriorate. Game shows and obscure US television series take over. There has been a change here. Some months ago, *Top Model* used to be a morning programme.

It is now replaced by local drama while a new series, *Honey and the Bees*, appears in the afternoon. The titles were, I think, changed in France for these series are not dominated by the kind of matter that the prurient may infer. Indeed they are, as policy-makers in Paris argue, wholly alien products. They rely heavily on such exotic themes as the decency of ordinary hometown folks and the innocent fun that can be extracted from the evasion of academic pursuits at junior high schools. French cinematic and literary traditions have little place for such material.

The big evening feature, recommended by *Le Monde*, was on the second channel. It dealt with the key question of the hour – should the *maisons closes* be reopened? In other words should there again be licensed brothels. The viewer was given a taste of how such establishments operate and the work of the employees.

The main component over two evenings consisted of a studio discussion. A large audience showed partisan support – some cheered those who argued for reopening the houses, others loudly backed the opponents. The debaters consisted of prostitutes of both sexes, experts on the matter, social workers and an elegant Swiss lady who was part of the management team at an establishment employing 52 women just over the border.

As the reader in Switzerland noted, we can learn so much about our neighbours if we keep an eye on their small screens. So long as, of course, they remain undefiled by American trash.

■ *James Morgan is economics correspondent of the BBC World Service.*

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After the shock

FT MANAGED FUNDS SERVICE

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Credis Investment Funds - Contd.

[illegible]

Credit Commercial de France

Euro Grth Cos Class A [illegible]

Credit Lyonnais Rouse (Bermuda) Ltd

[illegible]

Daiwa Japan Gem Fund

Daiwa Japan Gem | $10.16 | 10.31 | +0.01 | -

Daiwa Japan Small Equity Fd (u)

Daiwa Japan Small Eq | $11.86 | | - | -

Dean Witter World Wide Invest. Tst SA

NAV | $26.37 | | - | -

The Dragon Fund Sicav

NAV Jan 24 | $76.46 | | - | -

Espirito Santo Investment Mgmt (SICAV)

Southern European Fd | $7.06 | | -0.04 | -

Europe Value Fund (u)

EurOptec

Fidelity Intl Inv Mngt (Luxembourg) SA

Fidelity Investment (CI) Ltd

The First Korea Smaller Companies Fund

Fleming Group

Foreign & Colonial

Framlington Russian Investment Fund

Gartmore Luxembourg SA

Global Funds Management S.A. (u)

Global Futures & Options SICAV

H.C.M. HYPO Capital Mgt Luxembourg SA

[illegible]

HSBC MAPT Luxembourg SA

HTR India Fund - SICAV

International Bond Trust

International Speciality Fund (u)

INVESCO International Limited

Investissements Alternatifs SA

Kleinwort European Bd Fd Management SA

Lloyds Bank Luxembourg (u)

Lombard Odier Invest (u)

Merrill Lynch Asset Management

[illegible]

Morgan Stanley Sicav

Murray Johnstone Sicav

Nikko Asia Convertible Bond Fund

Nikko Bank (Luxembourg) S.A.

Nikko Bank - Contd.

Nikko Alpha Fund: Portfolio A Shs / Portfolio B Shs | $102.57 | | - | -

*Price as at January 24

Nomura Asian Infrastructure Fd SICAV

NAV | $17.87 | | +0.07 | -

Nomura Rosenberg Alpha Fund Mark II

Portfolio A: NAV / Portfolio B: NAV | $15.95 / $17.29 | | +0.04 / +0.07 | -

Pacific Basin Growth Fund

NAV A Shs / NAV B Shs | $9.73 / $9.60 | | - | -

Pan-Holding SA

Rosenberg Global Mngt Co SA (u)

Rosenberg Management SA (u)

Rosenberg US Japan Mngmt Co SA (u)

Edmond de Rothschild Group

[illegible]

SCI/TECH SA

SCI/Tech NAV | $18.67 | | +0.06 | -

Schroder (Switzerland) Fund

Asia Convert / Japan Convert | $1000.65 / SFr1198.48 | | +0.41 / -0.40 | -

Scudder, Stevens & Clark

Scudder Global Opportunities Funds

[illegible]

Société Générale Group

State Street Luxembourg SA

Swiss Bank Corporation

Target International Ltd

Templeton Emerging Asia

Templeton Worldwide Investments

US Pacific Stock Fund (z)

Valco Financial Services SA Lux

"WINTERTHUR" Fund Mngmt Co (Lux) SA

World Bond Fund–SICAV (z)

World Bond Fund | $30.12 | 31.72xd | +0.10 | 0.00

Inv Ad Warburg Asset Mngt London

World Trust Fund

Shares NAV | $14.06 | | - | -

Yamaichi Advanced Technology Fund

Advanced Tech | $22.98 | | - | -

OFFSHORE INSURANCES

AXA Equity & Law Intl Life Assce Co

Victory Hse, Prospect Hill, Douglas, IoM 0624 677877

[illegible]

Albany International Assurance Ltd

St Mary's, Castletown, Isle of Man 0624 823262

[illegible]

Allied Dunbar International Assce Ltd (z)

Lord Street, Douglas, IoM 0624 661551

[illegible]

CMI Insurance Co Ltd

Clerical Medical Hse, Douglas I.O.M. 0624 625500

[illegible]

CMI Insurance Co Ltd - Contd.

Century Life International

Eagle Star Intl Life

Equitable Life (International)

Eurolife Assurance Group

Financial International Ltd

Friends Provident International

Hansard International Ltd

Isle of Man Assurance Ltd

Lebrun International Group

Old Mutual International (Guernsey) Ltd

Premier Life

Professional Investment Consultants

Royal Life International

Royal Scandia Life Assurance Ltd

Scottish Life International

Sun Alliance International Life

Sun Life International (IOM) Ltd

OTHER OFFSHORE FUNDS

ATSP Management Ltd

[illegible]

Abtrust Fund Mngrs (Guernsey) Ltd

Acciones y Valores de Mexico SA de CV

Accival Jan 24 | M$6296.7750 | | -0.5508 | -

Adig Investment

Aeton Malaysian Growth Fd (Cayman) Ltd

NAV Jan 23 | $12.0610 | | - | -

Alliance Capital

Allied Dunbar International Fund Mngrs (1800)F

Alpha Fund Management Ltd

Arnhold and S. Bleichroeder, Inc

Asia Pacific Capital Strategies Fund

Asia Pacific Securities Corp Ltd

Atlantic Investment Fund Ltd

Aurora Funds

Julius Baer Bank & Trust Co Ltd

Bank Bumiputra

Banque de Gestion Privee, Paris

Banque Paribas

Barclays Diversified Fund

Baring International Group

The Batavia Fund Ltd

Bermuda Intl Invest Mgmt Ltd

Butterfield Management Co Ltd

CA Securities Investment Fund Mngt Ltd

CDC International

The China Fund

The China Invest & Development Fd Ltd

Citicorp Investment Trust Mngt Co Ltd

Credit Lyonnais Asset Mgmt (HK) Ltd

Crosby Asset Management Ltd

Daiwa International Capital Mgmt (HK) Ltd

Dubai Fund

Eagle-C-T Mexico Fund Ltd

East Asia Harbour Fund Ltd

East Europe Development Fund Ltd

Emerging Markets Management

Enigma Investments Ltd - Cayman

The Environmental Investment Co Ltd

Ermitage Group

Europe 1992

Fidelity Investment Management Ltd

Fleming Japan Fund SA

Formosa Fund

Formosa Growth Fund

France Option Fund

Frank Russell Investments (Cayman) Ltd

GAM Fund Management (Ireland) Ltd

The GP Taiwan Index Fund

GT Chile Growth Fund Ltd

GT Management Plc

Gartmore Fund Managers

Genesis Fund Managers Ltd

Gerrard SA

Global Asset Management

Govett (John) Mgmt (Jersey) Ltd

Guinness Flight Fund Mngt (Guernsey) Ltd

Hambros Bank (Guernsey) Ltd

Hill Samuel Investment Mgmt Intl SA

HSBC Asset Management (Bahamas) Ltd

IBJ Fund Management

India Investment AG

The Indo-Suez Managed Fd NV

Indosuez Asset Management Asia Ltd

Invesco International Limited

Jardine Fleming Unit Trusts Ltd - Contd.

Only available during special offer periods*

* Prices as of January 20

Johnson Fry Securities Ltd

Jupiter Tyndall (Bermuda) Ltd

For Jupiter Tyndall see Bermuda (SIB Recognised)

KI Asia Pacific Fund Ltd

Kingate Global Fund Ltd

Korea China Super Fund Ltd

Korea Intl Investment Trust Co Ltd

Lazard Brothers Sports Growth Fund

Lehman Brothers Sports Growth Fund

Lippo Asia Ltd

Lloyds Bank International (Bahamas) Ltd

London Portfolio Services Group

MD Sass Re/Enterprise International Ltd

MFS Meridian Funds

Magellan Emerging Markets Mngt (Jersey) Ltd

Magnum Funds

Malaysia Growth Fund

Man International Futures

Mauritius Fund Ltd

Merrill Lynch Asset Mngmt

Millennium Asset Management

Mitsubishi International Ltd

Morgan Stanley Emerging Market Fund

Morgan Grenfell Investment Funds Ltd

National Investment Trust Company Ltd

Nomura Warrant Fund 1990 Ltd

North Atlantic Management Co Ltd

Oriel Asset Management Ltd

Pacific Growth Fund

Pakistan Fund

Philippine Income Fund Inc

Portuguese Investment Fund Ltd

NAV Jan 20 | $82.1664 | | - | -

Private Asset Management GAM Fund Inc

NAV | $86.49 | | -0.38 | -

Prospect Asset Management (CI) Ltd

Prospector Fund Management Ltd

Prospector Fund Ltd NAV Dec 31 | $93.3166 | | - | -

Putnam Emerging Funds Ltd

Putnam Europe Ltd

Quantum Group

Real Estate Strategies Ltd

Regent Fund Management Ltd

Republic Growth Fund

For Republic New York see Republic

Rosenwald, Rodiot & Co Ltd

Royal Bank of Canada Intl Money Market Fd

Sabre Fund Management Ltd

For Sabre Republic Holdings see Republic Funds

Sao Jorge Ltd

Schroder Investment Management Limited

Schroder Investment Mngt (Hong Kong) Ltd

Schroder Investment Mgmt (Singapore) Ltd

Schroder Japanese Warrant Fund

Schroders Australia Ltd

Schroder Aust Sh | A$6.38 | 7.47 | - | -

For Schroder (Switzerland) and Luxembourg (Regulated)

Schnitzer Bermuda Funds

Scudder, Stevens & Clark Inc

Argentina NAV Jan 20 | $11.11 | | - | -

Seahawk International Inc

Seahawk International Inc | $208.4902 | | - | -

Sagapar Securities (Bermuda) Ltd

Seychelles Fund Ltd

NAV Jan 30 | $857.7620 | | - | -

Shiozumi Investment Mngmt (Bermuda) Ltd

Japan Opps NAV Jan 15 | $15.893 | | - | -

Sierra Fund Ltd

NAV Jan 24 | $13.38 | | - | -

Sloane Robinson Investment Mngmt Ltd

S.R. Global Fund Inc.

Smith Barney Funds

Sodific Asset Management Inc

Alpha SAM | $119.63 | | - | -

SAM Oracle | | | +1.21 | -

SAM/McGarr Hedge | $121.89 | | -1.76 | -

Carl Spaengler KAG

Long Term Value Trust NAV | $705.11 | | - | -

Springfield Fund Mgmt (Gibraltar) Ltd

Global Liquidity Fd Ltd | $163.73 | | - | 8.93

Sri Lanka Growth Fund

NAV Jan 26 | $7.80 | | - | -

State Street Banque SA

Strome Offshore Limited

Suisse Finance Corporation

Swiss Bank Corporation

Taipei Fund

Taiwan Opportunities Fund Ltd

Templeton Galbraith & Hansberger Ltd

The Egerton European Dollar Fund Ltd

The Egerton European Equity Fund Ltd

The Thai-Euro Fund Ltd

The Thai Prime Fund Limited

The Thailand Fund

The Thailand Growth Fund

The Thailand Intl Fund Ltd

Thornton Investment Management Ltd

Tokai Pacific Fund

Tokyo Pacific Holdings NV

Triumph Global Hedge Ltd

Ultra Cerberus Fund Ltd

Ultra China Fund

Ultra Futures Fund Ltd

Ultra Sector Fund Ltd

Ultra Telecom Fund Ltd

Ultra Value Fund Ltd

Value-Tree Investment Management Ltd

The Vietnam Frontier Fund

The Vietnam Fund Limited

WW Capital Growth Fund

Wellington Fd Mngrs (Bermuda) Ltd

Intnl Growth Fd | $14.00 | 14.70 | -0.09 | -

Wells Fargo U.S. IT Fund

Worldwide Limited

NAV Dec 30 | $78.23 | | - | -

Xiphias International Investment Fd Ltd

Yamaichi Capital Management (Guernsey) Ltd

Thai Inv Fund | $19.12 | | - | -

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales.

(**) Funds not SIB recognised. The regulatory authorities for these funds are:

Guernsey - Financial Services Commission

Ireland - Central Bank of Ireland

Isle of Man - Financial Supervision Commission

Jersey - Financial Services Department

Luxembourg - Institut Monétaire Luxembourgeois.

Initial charge - Charge made on sale of units.

Selling price - Bid or redemption price.

Buying price - Offer or issue price.

Time - The time shown alongside the fund manager's name is the time of the fund's valuation point unless indicated by one of the following symbols:

(¥) - 0001 to 1100 hours

(♦) - 1101 to 1400 hours

(▲) - 1401 to 1700 hours

(#) - 1701 to midnight

E - Exit charge on sale of units.

C - Manager's periodic charge deducted from capital.

H - Historic pricing F - Forward pricing

h - Distribution free of UK taxes.

p - Periodic premium insurance plans.

s - Single premium insurance.

u - Designated as a UCITS (Undertakings for Collective Investment in Transferable Securities).

x - Offered price includes all expenses except agent's commission.

z - Previous day's price.

G - Guernsey gross.

♦ - Yield before Jersey tax.

† - Ex-subdivision.

‡ - Only available to charitable bodies

♦ - Yield column shows annualised rates of NAV increase.

xd - Ex-dividend.

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OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Fidelity Money Funds
Pembroke Hall, Pembroke, Bermuda

Prices for dealing January 28

Jupiter Tyndall (Bermuda) Ltd
PO Box HM1256, Hamilton, Bermuda 0101 809 292 2760
Jupiter Tyndall World Umbrella Fund Ltd

Momentum Asset Management Ltd
Navellier Perf Jan 12 ... $98.51

Newport Investment Management
73 Front street, Hamilton, Bermuda
Dealing: 0481 726268
Newport SelectPlus Fund Ltd
Newport International Management

Orion Fund Limited
6 Front St., Hamilton, HM11, Bermuda 809 292 6370
Orion Jan 19 ... $21 07

GUERNSEY (SIB RECOGNISED)

AIB Investment Managers (Guernsey) Ltd
PO Box 255, St Peter Port, Guernsey CI 0481 710651
AIB Offshore Fund Ltd

Adams & Nevile Fd Mnmgt (Guernsey) Ltd
PO Box 255 St Peter Port Guernsey CI 0481 710651

Equitable International Fund Managers Ltd
PO Box 255, St Peter Port, Guernsey CI 0481 710651

Guinness Flight Fd Mngrs (Guernsey) Ltd
PO Box 250, St Peter Port, Guernsey
Guinness Flight International Accum Fund (Daily)
Global Strategy Fund (Daily)

Hambros Fd Mgrs (CI) Ltd
PO Box 255, Guernsey 0481 715454
Currency Funds
Equity Selection Funds

Kleinwort Benson Intl Fd Mngrs Ltd
PO Box 44, Guernsey, CI
*Offer price inclusive of maximum preliminary charge

Lazard Freres Asset Management (CI) Ltd
PO Box 275, St Peter Port, Guernsey, CI

Lazard Fund Mngrs (Channel Islands) Ltd
PO Box 275, St. Peter Port, Guernsey, C.I. 0481 710461

Lazard Fund Mngrs - Contd.
Lazard Select Investment Trust Ltd

Lloyds Intl Money Market Fund Ltd
Lloyds Bank Fund Managers (Guernsey) Ltd
Dealing daily

M & G (Guernsey) Ltd
Westbourne, The Grange, St Peter Port 0481 726863

Prudential Fund Managers (Guernsey) Ltd
Po Box 81, St Peter Port Guernsey 0481 726268

Rothschild Asset Management (CI) Ltd
PO Box 242, St Peter Port, Guernsey

Royal Bk of Canada O/S Fd Mgrs Ltd
PO Box 246, St Peter Port, Guernsey 0481 723021
Intl Currencies Fd Ltd
Latest Fund Prices 24hr service 0481 718043

Sarasin Funds Mngmt (Guernsey) Ltd
PO Box 248, St Peter Port, Guernsey 0481 723021

Schroder Investment Mngmt (Guernsey) Ltd
PO Box 255, St Peter Port, Guernsey

GUERNSEY (REGULATED)(**)

ANZ Mngmt Co (Guernsey) Ltd

Apollo Investment Management Ltd

Arab Bank Fund Managers (Guernsey) Ltd

Bachmann Global Investment Fund Ltd

Bellinvest Management (Guernsey) Ltd

CIBC Fund Managers (Guernsey) Ltd

Clariden Investment Management (Guernsey) Ltd

Dantrust Management (Guernsey) Ltd

Global Portfolio Management (Guernsey) Ltd

Guernsey Capital Management Limited

Hambros Fund Managers (CI) Ltd

Hauteville Fund Managers (Guernsey) Ltd

Havelet Throgmorton Mngmt Ltd

IPS (Guernsey) Ltd

Kleinwort Benson Intl Fd Mngrs Ltd
*Offer price inclusive of maximum preliminary charge

Lazard Fund Managers (CI) Ltd

Lazard Freres Asset Management (CI) Ltd

Lloyds Bank Fund Managers (Guernsey) Ltd
Austro-Hungary Fund Limited
NAV Jan 23 ... $8.75

Merrill Lynch Guernsey

Nikko Capital Mngt (Europe) Ltd

Rothschild Asset Mngmt (CI) Ltd

Saudi International (Guernsey) Ltd

Schroder Investment Mngmt (Guernsey) Ltd

UBK Asset Management (Guernsey) Ltd

U.S. Advisors (Guernsey) Limited

Wells Fargo Nikko Inv Adv Gsy Ltd

Yamaichi Capital Mngt (Guernsey) Ltd

IRELAND (SIB RECOGNISED)

BT Fund Managers (Ireland) Ltd
80 Harcourt Street, Dublin 2
BT Global Assets Fund
BT International Investment Series

Baring International Fd Managers (Ireland) Ltd

Coutts & Co Fund Managers Limited
Coutts Global Fund

Dresdner Intl Management Services Ltd
Dresdner Thornton Asian Selections Fund plc

Dunedin Unit Trust Managers (Ireland) Ltd

Federated International Funds Plc (u)

The Fiduciary Trust Global Fund

GAM Fund Management Ltd (u)

GT Asset Management (Ireland) Ltd

Morgan Grenfell Investment Funds Ltd (u)
20 Finsbury Circus, London EC2M 1UT

Old Mutual International Fd Mngrs Ltd (u)

Prolific International Fund Plc
53 Fitzwilliam Square, Dublin 2

Scottish Value Management (Ireland) Ltd (u)
12 Lower Leeson Street, Dublin 2

Singer & Friedlander Inv Funds Ltd (u)
21 New Street, Bishopsgate, EC2M 4HR

Swiss Life Investment Fund – Proteus (u)

IRELAND (REGULATED)(**)

AIB Fund Management Ltd

Apollo Fund Plc

Argenta European Hedge Fund plc

Asia Small Cos Growth Fund (u)

Asia Dynamic Growth Fund Plc

Asian Diversified Equity Fund Plc

Asian Emerging Markets Fund Plc

Asian Growth Fund Plc

BT Fund Managers (Ireland) Ltd (u)

Bank of Cyprus Group

Bank of Ireland Unit Managers Ltd

Baring International Fd Mngrs (Ireland) Ltd

Baring Mutual Fund Mngmt (Ireland) Ltd

Berkshire Korea Fund Plc

CFP Interest Rate Arbitrage Fund Plc

Chemical Ireland Fund Administrators Ltd

Citizens Investment Trust Mngt Company

Dresdner International Management Services Ltd

Dynamic Pacific Portfolio Fund Plc

Emerging Dynamic Fund Plc

F.I.T. Investment Trust Ltd (u)

Framlington Investment Mngmt (Ireland) Ltd

Frank Russell Investments (Ireland) Ltd (c)

GT Asset Management (Ireland) Ltd

Global Resources Stock Fund

Hambros Fund Managers (Ireland) Ltd

Henderson Crosthwaite Investment Co

Kim Europe Worldwide Fund

Kime Yoki Korea Fund Plc

Kleinwort Benson Bond Arbitrage Fund Plc

Kleinwort Benson Derivative Products Fd Plc

Kleinwort Benson Capital Mngt (Ireland) Ltd

Korea CB Fund Plc
NAV ... $10.75 −0.26

Korea Capital Growth Fund
NAV ... $8.64 −0.32

Korea Sprint Fund Plc
NAV ... $6.05 −0.93

Korea Sunrise Fund
NAV ... $8.99 −0.25

Morgan Grenfell Fixed Income Funds Plc

Morgan Grenfell Profunds Plc

New Silk Road Fund
New Silk Road Fund ... $9.59 −0.45

Old Mutual International (Ireland) Ltd

Orient Balanced Fund Plc

Pacific Growth Fund Ltd

Paine Webber Offshore Funds Plc (u)

Paribas Asset Management (Ireland) Ltd

J. Rothschild International Assurance Plc

Sanwa International (Ireland) Plc

Scottish Amicable European/International

Stellar Fund Plc

Ulster Bank Investment Services

Value Express Fund Plc

Yellow Sea Investment Company PLC

Yuki Korea Fund

ISLE OF MAN (SIB RECOGNISED)

AXA Equity & Law Intl Fund Mngrs

Allied Dunbar Intl Fund Mgrs (1600)F

Ashburton Global Funds Ltd (1200)

Bank of Ireland

CBI Fund Managers (IoM)

Leopold Joseph Fund Mngrs (IoM) Ltd

Mercury Fund Managers IoM Ltd

Sun Life Management (IoM) Ltd

Unibank Scandinavian Fund Ltd

ISLE OF MAN (REGULATED)(**)

ATC Fund Management Ltd

AXA Equity & Law Intl Fund Mgs

City Financial Admin (IoM) Ltd

Duncan Lawrie Inv. Mgt. Ltd

John Govett Management (IoM) Ltd

IBI Managers (IoM) Ltd

Quilter Intl Mngt (IoM) Ltd

R & H Fund Managers Ltd

JERSEY (SIB RECOGNISED)

AIB Fund Managers (CI) Ltd

Barclays International Funds

Capital House Fund Mgrs (CI) Ltd (0900)H

Coutts & Co (Jersey) Fund Managers Ltd
Coutts Money Market Fund Ltd

Gartmore Fund Mngrs Intl Ltd
PO Box 273, 45 La Motte St., Jersey 0534 888666
Capital Strategy Fund Ltd (z)

John Govett (Channel Islands) Ltd (1000)F

Coutts & Co (Jersey) Fund Managers Ltd

EBC Fund Managers (Jersey) Ltd

Fleming Group

Foreign & Colonial Mngmt (Jersey) Ltd

John Govett Management (Jersey) Ltd

INVESCO International Limited

Jupiter Tyndall (Jersey) Ltd

Lloyds Private Banking (CI) Ltd
Dealing Weekly on Thursday

Lombard Odier (Jersey) Ltd

Lonworld Financial Services Limited

Minerals, Oils Res. Shrs. Fd. Inc.

Northgate Unit Tst. Mngr. (Jersey) Ltd

Perpetual UT Mngrs (Jersey) Ltd

The Portugal Fund Limited

Royal Bank of Canada Intl Fd Mgt Ltd

Royal Bk of Scotland Fd Mngrs (Jersey) Ltd

Schroder Mngt Services (Jersey) Ltd

Scrimgeour Kemp-Gee Mngmt., Jersey

TSB Trust Funds (CI)

Warburg Asset Management Jersey Ltd

Worldinvest (Managers) Jersey Ltd

JERSEY (REGULATED)(**)

Barclays Intl Funds

Cazenove International Asset Mngt Ltd (CIAM)

Citibank (CI) Ltd "Citifunds"

Citibank N.A.

Concerto Ltd
NAV Jan 20 ... $21 73

LUXEMBOURG (SIB RECOGNISED)

ABN AMRO Funds
14 Rue Jean Monet, L-2180 Luxembourg 352 424949320

Abtrust Fund Mngrs Luxembourg SA (u)
13 rue Goethe, L-1637 Luxembourg 010 352 4048461

American Phoenix Investment Portfolios (u)
13 rue Goethe, L-1637 Luxembourg 010 352 4048461

BAII Intermarket Fund
2 Boulevard Royal, Luxembourg 010 352 4560 3362

Bank Von Ernst & Cie AG

Commercial Union Luxembourg SA - Contd.

Creavalle Group (u)

DB Investment Management SA

Den norske Bank

Diba Income Fund

Dolphin Intl Investments (u) SICAV

Dresdnerbank Asset Mngmt SA (u)

E.T. Investment Management Ltd

Eagle Star – Global Assets Fund (u)

Eigisian Global SICAV (u)

EquiFund-Wright National Eqty Fd (u) (z)

Fidelity Funds (u)

Fleming Group

Foreign & Colonial Emerging Markets Ltd (u)

Frontrunner I

Gartmore Luxembourg SA (u)

HSBC Investment Funds Luxembourg SA (u)

Henderson Management SA (u)

Hypo Foreign & Colonial Port Fd Sicav (u)

Midland Intl Circuit Fund SICAV(u)

Nikko Japan Return Reversal Fund

Nomura Global Fund (u)

PRICOA Worldwide Inv Portfolio Sicav (u)

Regent Global Fund (u) (z)

S-E-Banken Luxembourg SA

Sarasin Investment SICAV (u)

Schroder International Selection Fd (u)

Scottish Equitable Intl Fund SICAV (u)

Sun Life Global Management Ltd (u)

LUXEMBOURG (REGULATED)(**)

Aetna International Umbrella Fund (u)

Alliance Capital

Asian Development Equity Fund

BAII Intermarket Fund

Banque Paribas Luxembourg

CS Fund International (u)

CS Umbrella

Citicorp Investment Mngt (Luxembourg) SA

Commercial Union Luxembourg SA (u)

Compass SA

Liberty ALL-STAR World Plaza Equity Fund

Lloyds Bank Luxembourg

■ Results due next week

Company	Sector	Announcement due	Dividend (p)* Last year interim	Final	This year interim
FINAL DIVIDENDS					
Bullough	Eng	Monday	1.75	4.3	1.75
Caldwell Investments	Text	Monday	0.387	0.612	0.387
Edinburgh Java Trust	InTr	Thursday	-	-	-
Fleming American Inv Trust	InTr	Monday	0.85	0.65	0.04
Fyffes	ReFd	Thursday			
Gardiner Group	Dist	Tuesday	0.23	0.5	0.25
Gartmore British Inc & Growth	InTr	Thursday	-	-	1.82
Heavitree Brewery	Brew	Wednesday	0.6	3.0	1.0
Ivory & Sime ISIS Trust	InTr	Tuesday	-	-	-
Motor World Group	EngV	Monday	2.3	4.7	2.5
P & P	SpSv	Thursday	0.8	1.2	0.95
Porvair	Chem	Thursday	1.4	2.8	-
St Andrew Trust	InTr	Monday	2.7	5.1	2.8
Standard Platform	SpSv	Wednesday	-	-	-
Updown Investment Co	InTr	Thursday	-	13.0	-
INTERIM DIVIDENDS					
Adscene Group	Med	Tuesday	2.5	-	-
Allied Leisure	L&H	Thursday	-	2.0	-
Aromascan	E&EE	Tuesday	-	-	-
BAA	Tran	Monday	6.75	11.25	-
BCE Holdings	L&H	Tuesday	-	-	-
Barnato Exploration	Exdn	Tuesday	-	-	-
Bucknall Group	Prop	Wednesday	-	-	-
Budgens	ReFd	Tuesday	0.3	0.7	-
Continental Foods	FdMa	Monday	-	-	-
Edinburgh Small Co's Trust	InTr	Tuesday	-	0.21	-
Excalibur	Eng	Tuesday	0.25	0.4	-
FII Group	Text	Tuesday	6.0	-	-
Farepak	ReFd	Tuesday	1.85	4.75	-
Fibronic Coratek	E&EE	Monday	-	-	-
Free State Dev & Inc Corp	Exdn	Tuesday	-	-	-
Games Workshop	L&H	Tuesday	-	-	-
Haynes Publishing	Med	Monday	4.0	-	-
Heavitree Brewery	Brew	Wednesday	1.8	-	-
Helton	BdMa	Wednesday	-	-	-
Kleinwort High Income Trust	InTr	Thursday	1.875	1.875	-
Property Trust	Prop	Monday	-	-	-
Radiant Metal Finishing	Eng	Monday	-	-	-
TR City of London Trust	InTr	Wednesday	1.31	-	-
TR Smaller Co's Inv Trust	InTr	Monday	1.5	1.5	-
Union Square	Prop	Tuesday	-	-	-
Wintrust	MrBk	Monday	3.3	6.95	-
Zetters	L&H	Monday	4.0	4.5	-

*Dividends are shown net pence per share and are adjusted for any intervening scrip issue. *Reports and accounts are not normally available until about six weeks after the* board meeting to approve preliminary results. ‡‡ 1st quarterly. ◆ 2nd quarterly.★ 3rd quarterly

■ Last week's preliminary results

Company	Sector	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Aberforth Smllr Co's	InTr	Dec†	176.7	(188.8)	4.13	(4.36)	4.6	(4.6)
Allied Textile	Text	Sep	17,800	(13,700)	36.3	(33.2)	13.8	(12.9)
CLM Insurance Fund	Ins	Dec‡	90.82	(-)	1.02	(-)	2.4	(-)
Derby Trust	InTr	Dec	443.8	(494.0)	17.7126	(17.9532)	17.7126	(17.9532)
Domino Printing	E&EE	Oct	13,030	(9,060)	32.9	(23.07)	9.6	(7.95)
First Philippine Inv	InTr	Oct‡	118.3	(61.3)	-	(0.11)	-	(0.2)
LPA Industries	*E&EE*	*Sep*	*28*	*(66)*	*-*	*(0.44)*	*1.6*	*(2.45)*
M&G Dual Trust	InTr	Dec†	531.99	(529.03)	71.45	(70.34)	71.45	(70.34)
PWS Holdings	Ins	Sep	1,880 L	(2,420)	-	(5.8)	0.8	(4.0)
Principality Bldg Soc	n/a	Dec	19,000	(18,700)	-	(-)	-	(-)
Seacon Holdings	Tran	Sep	938	(1,720)	2.5	(4.61)	2.4	(2.28)
Selective Assets	InTr	Dec†	204.17	(184.95)	0.55	(3.27)	1.8	(1.65)
Shandwick	Med	Oct	7,330	(4,800)	4.1	(1.8)	1.3	(-)
Warner Estate Hldgs	Prop	Sep	7,240	(7,200)	10.93	(11.6)	11.35	(11.0)
Warrants & Value Inv	InTr	Dec‡	34.47	(39.97	0.011	(0.034)	-	(-)
Watson & Philip	ReFd	Oct	10,640	(12,520)	18.1	(25.6)	15.3	(14.3)
Witan Investment Co	InTr	Dec‡	250.5	(271.7)	6.2	(6.11)	6.1	(5.8)

■ Last week's interim results

Company	Sector	Half year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Bell (AH)	B&C	Sep	3,710 L	(40)	-	(1.0)
Cantors	ReGn	Oct	105	(563)	1.0	(1.4)
Colefax & Fowler	GenG	Oct	627	(50)	0.7	(0.5)
Contra-Cyclical	InTr	Dec‡	41.90	(56.8)	2.25	(2.25)
Crest Packaging	PP&P	Oct	1,840	(2,430)	1.375	(-)
Daejan Holdings	Prop	Sep	11,120	(8,200)	12.0	(12.0)
Denka Business Sys	E&EE	Dec◆	32,600	(22,200)	-	(-)
Davies (DY)	Prop	Oct	39 L	(116 L)	-	(-)
Dudley Jenkins	SpSv	Oct	512	(430)	1.1	(1.05)
Dunedin Japan	InTr	Dec‡	92.3	(83.9)	-	(-)
First Spanish Inv Tst	InTr	Nov‡	84.4	(80.2)	-	(-)
Freeport Leisure	Prop	Dec★	112	(-)	-	(-)
GT Japan Inv Trust	InTr	Dec†	249.8	(243.6)	0.4	(0.4)
Goodhead	Med	Nov	76	(303)	-	(-)
Grosvenor Inns	Brew	Nov	718	(358)	2.5	(2.25)
Hidong Estate	FdPr	Sep♥	251	(82)	-	(-)
Lazard High Inc Trust	InTr	Dec‡	91.28	(105.35)	1.6	(1.6)
Lombard Insurance	Ins	Dec	7,850	(5,430)	2.75	(-)
London Cremation	n/a	Sep	40	(80)	-	(-)
Masthead Insurance	Ins	Dec●	2,350	(-)	1.5✢	(-)
Menvier-Swain	E&EE	Oct	5,170	(4,110)	1.6✢	(1.3)
Menzies (John)	ReGn	Oct	7,300	(6,300)	4.6	(4.1)
MITIE Group	SpSv	Sep	1,850	(1,390)	1.3	(1.0)
Mosaic Investments	PP&P	Oct	1,680 L	(418)	1.0	(-)
Murray Smaller Mkts	InTr	Nov†	463.8	(448.9)	1.56	(1.42)
Murray Split Cap Tst	InTr	Nov⚹	199.6	(223.7)	2.65	(2.65)
Mysis	n/a	Nov	11,200	(8,010)	3.45	(3.0)
Newmark (Louis)	Eng	Oct	830 L	(848 L)	-	(-)
Park Food Group	ReFd	Sep	4,990	(4,740)	1.0	(0.833)
Pifco	E&EE	Oct	1,480	(1,220)	2.1	(1.9)
Prior	Prop	Sep	401	(2,020)	0.05	(-)
Scottish National	InTr	Dec‡	35.2	(82.8)◆	1.55	(1.55)
Shield Group	Prop	Sep	324 L	(5)	-	(-)
Smith (WH)	ReGn	Nov	45,200	(44,700)	3.25	(5.0)
Stavert Zigomala	OtFn	Sep	47	(28)	-	(-)
Unipalm	SpSv	Oct	149	(348)	-	(-)
Unit	PP&P	Sep	120 L	(800 L)	-	(-)
Unitech	E&EE	Nov	15,300	(7,360)	2.57	(2.20)
Wood (John D)	Prop	Oct	301	(369)	0.75	(0.75)
YRM	Prop	Oct	1,230 L	(1,180 L)	-	(-)

(Figures in parentheses are for the corresponding period.) *Dividends are shown net pence per share, except where otherwise indicated. L=loss. † Net asset value per share. ‡ Irish punts and pence. ⚹ 3 month figures. Φ US dollars and cents. ● Figures for 14 months. ‡ Net asset value. ✢ Second interim dividend. *◆ At September 30. ♠ 9 month figures. ♥ Malaysian dollars.* ★ 23 week figures.

■ Current takeover bids and mergers

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m**	Bidder
Andrews Sykes	65*	148	67	10.70	Euro Fire Prot.
Attwoods	109	118	109	364.00	Browning-Ferris
Bletchley Motor	280	253	265	15.90	Charles Sidney
Control Tech	525*	524	514	204.00	Emerson
Hunterprint ‡	2*	1¾	3	1.15	Quebecor
Northern Elec	*1067*	*980*	*985*	*1.2bn*	*Trafalgar House*
Pict Petroleum	197.6	185	157	102.0	Premier Consold.
Portals	1058	1065	965	682.0	De La Rue
Stanhope Prop	3*	8	8	3.50	British Land
Wellcome	1025	992	688	9,400.0	Glaxo

Prices in pence unless otherwise indicated. *All cash offer. §For capital not already held. ‡ Unconditional. **Based on 2.30 pm prices 27/1/95. §§Shares and cash

■ Rights issues

Cadbury Schweppes is to raise £385m via a 1 for 7 at 340p rights issue.

■ Offers for sale, placings & introductions

BAS International Holdings is to raise £9m via a placing.
Celtic is to raise £4.5m on top of an already secured £9.4m via a supplementary offer.
Golden Rose Communications is to raise £5-6m via its flotation.
Greenhills is to raise £3m via a placing of shares at 20p.
McBride (Robert) is coming to the market via a flotation.
SG Industries is to raise about £30m via its flotation.
Symonds Engineering is to raise £2.5m via a placing and offer of 8.33m shares at 30p.

New Issues

Albright & Wilson, one of the oldest names in the UK chemicals industry, on Tuesday issued the pathfinder prospectus for its 100 per cent flotation from Tenneco, the US conglomerate that has owned it since 1978. The issue is the largest offering by a manufacturing company for at least three years, at an expected value of £600m ($936m), *writes Peggy Hollinger*.

Some 15 per cent will be made available to small investors, with pricing announced on February 17. The deadline for applications is February 24, and dealing will start on March 8. The issue is sponsored by Barclays de Zoete Wedd, also the underwriter, and Lazard Brothers. Brokers are de Zoete and Bevan.

☐ S.G. Industries, one of the largest UK manufacturers of steel products, is planning to come to the market this year in a deal expected to raise about £30m. The company, to be renamed SGI, is likely to be valued at about £45m.

☐ The government's plans to sell its 40 per cent stake in Britain's two largest generators, National Power and PowerGen, received a severe jolt yesterday when the electricity industry regulator issued a strong statement over recent price rises.

The pathfinder prospectus will now be delayed until February 6 and will have to be revised by the Treasury to reflect the comments.

Regulation is the biggest risk surrounding the share sale, which the government hopes will raise as much as £4bn. Investors must be clear about the possibility of a Monopolies and Mergers Commission referral over prices.

Bids

When the year began, most City observers were confident that 1995 would see a merger and acquisitions boom in the UK, *writes David Wighton*. Rarely have forecasts been proved so right, or so quickly.

With half a dozen large deals announced already, this week brought the big one: Glaxo's £9.3bn ($14.50bn) bid for Wellcome. This alone guarantees 1995 will be a bumper year in terms of the total value of deals.

The pattern of the bids has followed predictions. The pressure for consolidation in the international drugs and food industries made these sectors favourites to see action.

Apart from Glaxo/Wellcome, there have been two huge food and drink deals: GrandMet's £1.7bn agreed take-over of Pet, the US manufacturer of Mexican food; and the £1.6bn offer by Cadbury Schweppes' for Dr Pepper/Seven Up, the US soft drinks group.

Although much smaller, this week's sale by Ladbroke of Texas Homecare to Sainsbury illustrates several of the factors behind the upturn in activity. Like drug and food manufacturers, DIY suppliers in Britain are facing a tough time in the low-inflation 1990s. Rationalisation was inevitable.

The £290m price was judged a good deal for Ladbroke although it was a price that Sainsbury could afford comfortably.

Apart from Wellcome, most of this year's deals have not involved bids for UK quoted companies, but that is likely to change. The fall in share prices over the past year has brought stock market valuations of companies back in line with potential buyers. Prices are reasonable and the money is there.

Directors' dealings

Shares in Nurdin & Peacock, which operates cash and carry warehouses for UK corner shops and caterers, have had a rocky time over the past few months, *writes Vivien MacDonald of the Inside Track*. But four directors have just bought stock totalling £64,000. With final results due in March, the sight of so many dealing at once could prove to be be a favourable sign.

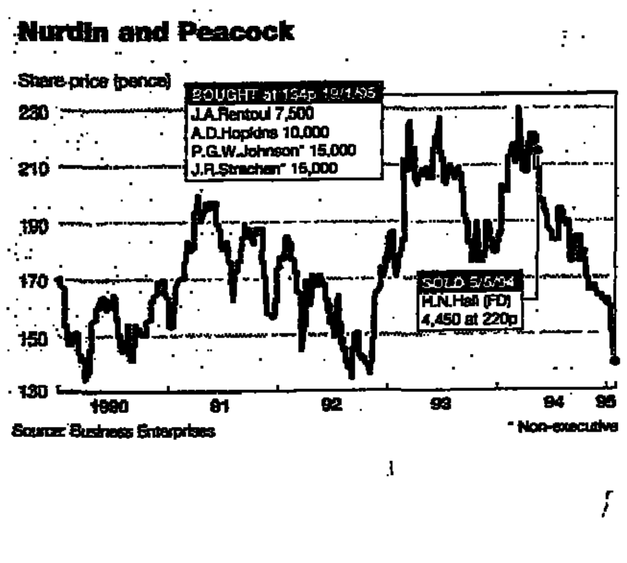
☐ On Demand Information has been on the market only since the end of 1993. Its share price fell when the company announced final results showing it had lost more than had been made before it came to market. But chairman Graham Poulter is confident for the future and is buying more of his own stock.

■ Directors' share transactions in their own companies

Company	Sector	Shares	Value £'000	No of directors
SALES				
Acatos & Hutcheson	FdMa	10,000	26	1
Black & Edgington Gp	SSer	500,000	15	1
Body Shop Intl	RetG	322,370	587	1
Border Television	Mdia	5,000	10	1
British Biotech	Phrm	260,268	1,366	3
Dart Group	Tran	1,000,000	1,490	1
Eurocamp Plc	L&HI	300,000	800	2
Fenchurch	Insu	60,000	98	1
MMT Computing	SSer	10,000	20	1
Rowe Evans Investmt	OS&B	50,000	57	1
South Western Elec	Elec	4,000	33	2
TBI	Prop	627,200	263	1
Time Products	Dist	6,000	14	1
Body Shop Intl	RetG	303,937	553	1*
Manweb	Elec	54,793	438	2*
PURCHASES				
Asprey	RetG	20,000	27	1
Barbour Index	Mdia	10,000	18	1
Beckman A	Text	3,036,422	1,366	1
Brasway	Eng	100,000	14	1
British Biotech	Phrm	8,336	44	4
Carpetright plc	RetG	100,000	253	1
Celltech	Phrm	10,000	24	1
Coda	SSer	220,000	194	1
Eldridge, Pope	Brew	13,000	21	1
Gartmore MicroIndex	InvT	15,000	15	1
IAF Group	OthF	625,000	138	1
Inspirations	L&HI	29,963	39	2
Kynoch	Hlth	100,000	19	1
McKay Secs	Prop	15,000	20	1
McLeod Russel	Chem	15,000	17	2
Microgen Hldgs	SSer	252,500	308	3
Nurdin & Peacock	RetF	47,500	64	4
On Demand Info	Mdia	159,000	109	2
RPC Group	PP&P	84,407	104	3
Rank Organisation	L&H	10,000	38	1
Seton Healthcare	Hlth	3,540	12	1
Shaw (Arthur)	BM&M	80,000	19	1
Stanley Leisure	L&HI	5,000	18	1

Companies must notify the Stock Exchange within five working days of a share transaction by a director. This list contains all transactions (listed and USM), including exercise of options (*) if 100% subsequently sold, with a value over £10,000. Information released by the Stock Exchange 16-20 January1995. Source: Directus, Edinburgh

Nurdin and Peacock



Source: Business Enterprises

* Non-executive

In the Pink

Why a tax on wealth would be preferable to one on income

Brian Reading argues the case for radical reform

I am going to vote Tory at the UK's next general election, although I do not yet know whether I will vote for John Major's Tory party or erstwhile Labour leader Tony Blair's.

Nonetheless, I am saddened by the demise of socialism. While Labour was socialist, there was always a chance it might do something worthwhile – like introducing a wealth tax.

The mere mention of such a tax horrifies most people. Many are unable to think rationally about it, particularly if they are very rich. But they should – they might even like the idea.

Consider income and wealth. We are taxed on what we earn but not on what we own. To earn, we do helpful things for others, providing them with goods and services. We are also taxed indirectly on what we own, but only when our wealth is used to help others.

Interest and dividends, earned by investing savings out of taxed income, are taxed. Capital gains are taxed. Inheritances are taxed. But wealth, enjoyed personally and privately, is untaxed.

Morally, there can be no case for taxing income and exempting wealth. Both involve confiscation; the difference is the method used to calculate how much of our money the state takes.

When income tax was reintroduced to the UK by Sir Robert Peel in 1842, it seemed little different to taxing wealth and, possibly, the precursor to a wealth tax. *Punch* magazine commented: "We take income tax as a portion of the whole – a tax on property must follow: but then we must have a different House of Commons, a much reformed House of Peers." Tony Blair, please note.

All indirect taxes on the use of wealth should be scrapped and be replaced by a single tax on the ownership of wealth. The problem is how to do it.

Taxing income is easy because, mostly, it can be measured. Taxing wealth poses problems of valuation.

Financial assets, such as company securities, have market prices but most personal chattels do not. Yet, what is a price? It is the amount a buyer would pay willingly for something. Unfortunately, there are millions of potential buyers so, until something is sold, we do not know who might pay what for it.

But a price is also the amount a seller is prepared to accept for parting with something. It is much easier to find this out. There is usually only one seller. A wealth tax could, therefore, be levied on a self-assessment basis.

The taxpayer would estimate his own wealth, based on the prices for which he would be willing to sell his assets. He would then calculate his tax bill and send a cheque for the relevant amount with his tax return.

This would be very much the same as filling out an insurance policy for home and personal possessions, which also involves subjective valuation. (The return would have to specify significant items only).

All wealth above a certain minimum – say, £250,000 – would be subject to annual taxation. The rate would be based on the lowest rate for income tax in that year, and the available risk-free return from investing in a government bond with one year remaining to maturity.

Gilts, maturing in 1996, now yield 7 per cent and the lowest income tax rate is 20 per cent, so the wealth tax rate would be 1.4 per cent. The tax burden would be light, except on the very rich. On wealth, say, of £500,000, the bill at 1.4 per cent would be £3,500, or an effective rate of 0.7 per cent.

Meanwhile, the abolition of income tax on interest and dividend incomes and capital gains would mean that anyone paying the top 40 per cent tax rate would gain from the reform if receiving more than a 3.5 per cent return from investing half his wealth. This would give a massive incentive for wealth to be used productively.

Catching tax cheats need be no problem. There is a high correlation between wealth and incomes. Most large earners are also large owners.

Lists of income tax-payers could form the basis for a weekly draw – like the national lottery. The higher a person's income, the more "tickets" he would be deemed to have bought and the greater his chance of "losing".

Those drawn would be subject to tax examinations. The inspectors could challenge individual valuations and, if the taxpayer wanted to revise them and pay back-tax, he would be allowed to do so. (The period over which back-tax would be payable would be linked to the odds on being caught).

The alternative would be for the taxpayer to "sell" his asset. This would be done through an auction in which the reserve price was his valuation, plus 10 per cent. Any excess over this would go to the tax authorities.

Doubtless, the idle rich would move assets abroad – Old Masters and the like. That would not matter. They would no longer enjoy them privately unless they also went to live abroad.

Meanwhile, the abolition of indirect taxes on the use of wealth would attract the enterprising rich to move to Britain. The tax system would *not only be more morally just* but also more efficient economically.

It would be nice if the Queen could see her way to supporting a wealth tax. Her great-great grandmother, Queen Victoria, set a fine example in 1842. To quote *Punch* again: "Great events produce great moral examples. This truth is as trite as that twenty shillings make a pound. Her Majesty, however, under the benign advice of Sir Robert Peel, has afforded the last striking illustration of the received axiom.

"Who shall now complain of the pressure of an income tax since the sovereign, with smiling alacrity, pays down her sevenpence. 'Loud and continued cheers' – say the parliamentary reporters – hailed the sacrifice made by Her Majesty."

> Many people cannot think rationally about the idea - particularly if they are very rich. But they should, they might even find they think it's a good one

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Weekend
INVESTOR

Wall Street

Market should prepare for further rate rise

Maggie Urry surveys a week in which resigned traders accepted the inevitable

Wall Street spent most of the week virtually motionless and mesmerised as the day drew nearer for the Federal Reserve open market committee (FOMC) to raise interest rates by half a percentage point. For the market, it is no longer a question of *whether* rates will go up after the meeting on Tuesday and Wednesday next week, and hardly a question of how much.

The market's view was encouraged by interpretations of remarks by Fed chairman Alan Greenspan on Wednesday and Thursday. In essence, he said that while, on the one hand, inflation was low, on the other there were inflationary pressures in the system – such as the low rate of unemployment and the rise in raw material prices – which could lead to a higher inflation rate again. The implication is that rates need to rise again, but perhaps not by much.

As for the Mexican situation, Greenspan was keen that the US Congress should pass the $40m loan guarantee package. No wonder, for that would take the onus off the Fed to solve the crisis by keeping rates lower than they need to be for domestic economic purposes. There is only one thing the market wants to see less than interest rates rising – and that is interest rates not rising, for the wrong reasons.

The only remaining timetabled event which could have disrupted the expected rate rise was yesterday's real GDP figures for the last quarter of 1994.

When that figure came in at an annual rate of 4.5 per cent – bang in the centre of the range of forecasts that would allow (or encourage) the FOMC to fix on moving rates from 5½ to 6 per cent – the bond market jumped and equities joined in with a modest and brief rally.

Now it is time for the market to lift its eyes beyond this week's rate rise to a longer horizon, and the debate is moving to whether the next increase in rates, which might come in March, will be the last.

Will we by then be seeing some firmer evidence of a slowing economy and the hoped-for soft landing? Or will the Fed have to continue tightening until, perhaps, it overdoes things and pushes the economy back into recession?

The consensus is for a soft landing with growth moderating but not stalling. Yet, cynics point to the bluntness of the interest rate weapon in containing inflation, with the long time lag between raising rates (a process which began last February) and clear signs that economic growth has been checked. If the soft landing is achieved, it will be more by luck than judgment.

From that point, views diverge again. Some believe a soft landing means equities will rally from here and are increasing their exposure to shares. Others think that there will be a soft landing but that stocks are still vulnerable in the short term.

Jeffery Applegate, chief investment officer of CS First Boston – who terms himself a "secular bull but a cyclical bear" – predicts a fall in the Dow Jones index to 3,400 in the next few months, giving a chance to sell stocks and buy them back lower down. Yet another group expects recession and a bear market.

There is truth, though, in the words of the strategists at UBS Securities. They say that tightening by the Fed never ends without stocks and bonds suffering some real pain. Well, bonds went through that process last year but equities have yet to feel the pinch.

While the stock market, as measured by the Dow, was edging up and down from day to day this week, one positive force has been the stream of corporate earnings figures. These have been better than even the high expectations held by analysts.

Many groups are reporting record profits and earnings. Gillette, for instance, had to get out its thesaurus to describe its sales and profits growth. Words such as substantially, significantly, considerably, notably, appreciably and sharply all appeared – some of them twice.

But good 1994 earnings do not matter – that is history. And, in any case, companies should be reporting peak profits atthe top of the cycle.What is happening now is that the momentum of rising earnings is slowing.

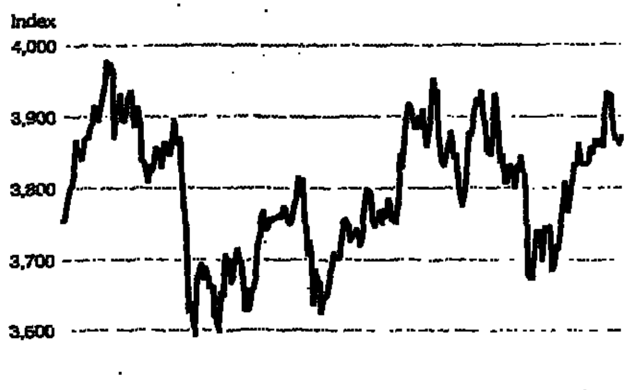
Profit margins probably have peaked and are likely to begin to decline, while absolute profits are likely to follow the pattern of margins with a time lag.

Meanwhile, as Compaq, the personal computer group, discovered, the market can be brutal when companies disappoint.

On Wednesday, it reported 1994 earnings up 88 per cent to $867m, but mentioned that the first quarter of 1995 might not come up to expectations. The shares dropped $5 on the day to close at $37⅞, and continued to weaken thereafter, taking the technology sector with it.

Shares in car-makers also declined following predictions that the good times of sales growth were over. As they offer increasingly generous discounts and deals to buyers, their profit margins are expected to weaken and forecasts are being cut back. It is a case of sell the shares, buy the product.

Dow Jones Industrial Average



Source. Datastream

Dow Jones Ind Average

Monday	3,867.41	-2.02
Tuesday	3,862.70	-4.71
Wednesday	3,871.45	+8.75
Thursday	3,870.44	-1.01
Friday	n/a	n/a

London

No Lombard Street lambadas

No real party mood despite Glaxo's bumper bid for Wellcome, writes **Philip Coggan**

Ask any City share trader what he or she wants for Christmas and the answer will be a bidding frenzy in the London stock market.

Santa was a bit late with the presents this time but at the start of the week, he duly delivered a bumper bundle; the largest bid in UK corporate history.

Glaxo's bid for fellow pharmaceuticals group Wellcome – initially valued at £9.3bn ($14.5bn) – seemed to offer everything traders could want. The bid target, a Footsie constituent, jumped nearly 40 per cent on the day of the announcement. The largest shareholder, Wellcome Trust, indicated it would accept the bid – giving Glaxo a strong chance of success. Furthermore, should the bid go through, over £6bn of cash would be released for reinvestment in the market.

For the rest of the week, the market was alive with bid rumours, most of which centred on the banking sector, notably S G Warburg, TSB and Kleinwort Benson.

All this ought to have had share traders dancing the lambada on Lombard Street. Instead the FT-SE 100 index fell over 40 points on Monday, the day the bid was announced. It took three days of hard slog before the index could regain the 3000 mark it lost last Friday.

Yesterday's rally on the back of the US fourth quarter GDP data took the index up to 3,022.2, up 0.9 per cent on the week but still 43 points below its starting level for the year.

The London market will find it hard to make progress while both US and UK interest rates are clearly on the rise and there are plenty of global crises – from Mexican devaluations to Japanese earthquakes – to depress sentiment.

In the view of pessimists such as Robin Aspinall, analyst at Panmure Gordon, the injection of liquidity into the market by bidders, such as Glaxo, cannot compensate for the drain from the US, as investors repatriate their funds for the safety of deposits.

Further liquidity strains could appear next week if, as expected, the US Federal Reserve decides to raise interest rates by at least half a percentage point.

The mood of investors is certainly not helped by bad news from individual companies. The latest to do so was Inchcape, which suffered a 20 per cent fall in its shares on Thursday, following a warning of a 10 per cent profits decline in 1994. Weak car markets in the UK and Hong Kong, allied to a strong yen, took the blame.

The market's general health – what Americans call the breadth – continues to be poor. Since the start of the year, declining stocks have outpaced advancing stocks by a cumulative total of nearly 4,000. On Monday this week, declining stocks outnumbered advancing shares by more than eight-to-one.

Party poopers: global crises are depressing sentiment

The same weakness appears if one measures new daily highs and lows. On Monday, 408 stocks hit their low point since the start of 1994, and lows are topping the 100 mark most days. The number of daily new highs barely makes it into new figures.

What such breadth measures really show is whether the strength or weakness of the main indices is borne out by the performance of smaller companies. According to broker Hoare Govett, which published its annual review of the sector this week, smaller companies outperformed their larger brethren in 1994.

But this was hardly outstanding news for small company enthusiasts. The Hoare Govett Smaller Companies Index produced a return of -4.1 per cent last year; bad, but better than the -5.8 per cent return from the All-Share.

Furthermore, all the outperformance came in the first few weeks of the year. After the US Federal Reserve increased interest rates in February, it was pretty much downhill for the rest of the year.

Small companies had a terrible time during the recession and the HGSC underperformed the all-share for four consecutive years from 1989-1992. Even now, in capital gains terms, the index is below its pre-Crash high.

It is not unknown for the broader market to endure long periods when the index goes nowhere. Even though corporate earnings are growing, the effect is more than offset by a decline in the rating investors are prepared to pay for earnings, in other words by a decline in the price-earnings ratio.

The graph shows how, in valuation terms, the London market looked overstretched at the start of 1994. The p/e on the FT non-financials index had returned to levels last seen in the late 1960s, and was even higher than at the time of the 1987 Crash.

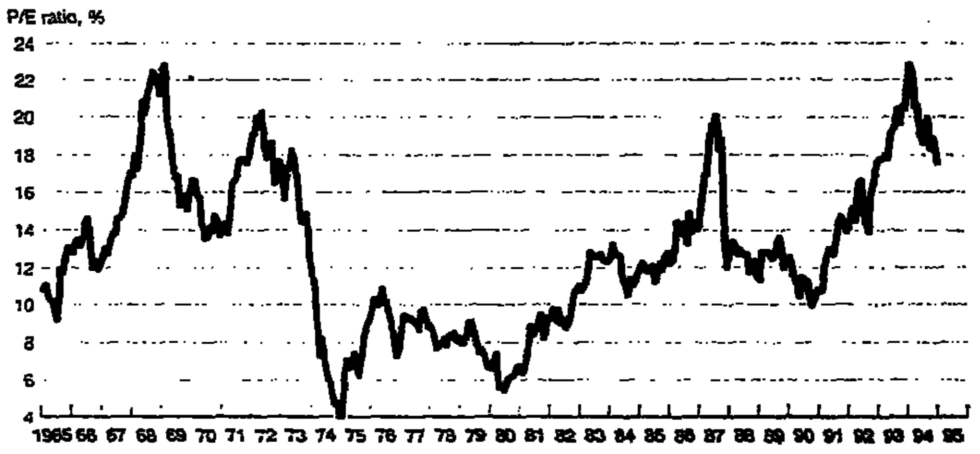
Since the start of 1994, the multiple has fallen back a little. But the graph indicates that the decline from the cyclical peaks can be quite severe. Every time the p/e has peaked above 20 (in 1969, 1972 and 1987), it has fallen back to at least 14.5 over the following 18 months. In share price terms, the declines over the same period were 29.4 per cent, 18.3 per cent and 22.9 per cent respectively.

The recent p/e peak of 22.9 occurred on January 21 last year. Since then, the rating has dropped to 17.6 and the non-financials index has fallen 13.6 per cent. Were the market to follow previous patterns, then by mid-July, it could have fallen by anything from a further 6.4 per cent (following the price movement of 1972-73) to 19 per cent (in line with the trend of 1969-70).

In the face of all this bad news, it seems only balanced to end the column on an upbeat note. Capel Cure-Myers Capital Management have analysed the UK equity market and come to the conclusion that it is currently undervalued, even though the nominal dividend yield is below its long term historical average.

The fund management group thinks that, on the back of falling interest rates in the second half of 1995, the FT-SE 100 index can end the year at 3,525.

FT-SE-A non-financial index



Source: Datastream

■ **Highlights of the week**

	Price y'day	Change on week	1994/95 High	1994/95 Low	
FT-SE 100 Index	3022.2	-37.2	3520.3	2876.6	Bid interest
FT-SE Mid 250 Index	3398.2	-26.4	4152.8	3363.4	Second liners quiet
British Aerospace	468	+16	578½	386½	Joint venture with ATR
Cadbury Schweppes	421	+20	545	385	Purchase of Dr Pepper
Glaxo	617	-26½	725	520	Bid for Wellcome
Inchcape	317½	-76	609	311	Profit warning
Kalon	104	-6½	191½	97½	Contract concerns
Kleinwort Benson	620	+46	693	424	Takeover speculation
Prudential	298	-15	395	271	Mick Newmarch resigns
Reuters Hldgs	438	+16	539¾	404	Lehman recommends
TSB	243	+15½	291	197	Takeover speculation
United Biscuits	322	+13	389	293½	Takeover speculation
Warburg (SG)	758	+27	1012	569	Takeover speculation
Wellcome	998	+310	1005	498	Bid from Glaxo
Yorkshire-TyneT TV	414	+28	420	150	Bear squeeze

Barry Riley

Back to those bad old habits

Glaxo's bid spells another retreat by the UK corporate sector

There is hope yet for City of London bonuses. This week, the merchant bankers and brokers began to tot up the potential pickings from the renewed wave of corporate wheeling and dealing.

The £9bn ($14.04bn) or so bid by Glaxo for Wellcome promises to enliven a take-over scene which has looked distinctly dull in recent years: spending on acquisitions in Britain fell from £27bn in 1989 to a low point of £6bn in 1993, before recovering modestly last year.

Other deals came tumbling out this week: Sainsbury for the UK's Texas DIY chain, Cadbury-Schweppes for Dr Pepper soft drinks in the US. Hoary old bid favourites like UK bank TSB began to flicker actively on dealing screens.

An upturn in take-over activity is scarcely surprising. Share prices are lower than at almost any time in the past 18 months but profits have been booming. British companies, so strapped for cash only a few years ago, are now piling up massive financial surpluses, which were running at an annual rate of £11bn in the first nine months of 1994. Banks are desperate to lend, at low margins.

This, though, looks very much like the British corporate sector retreating into its bad old habits. Companies are notorious for being more ready to grow by buying each other than by investing in new productive capacity. Now that they are in glowing financial health, are British companies emulating the US and stepping up their rate of capital investment?

The answer, according to the latest CBI industrial trends survey, is no. Investment is barely higher than a year ago and investment intentions actually have become less buoyant over the past three months. Yet, orders and profits are booming and, judging by December's poor trade figures, capacity is beginning to run short.

The motor industry is the classic case of the retreat by British companies from a key manufacturing sector. Only Rolls-Royce and one or two other tiny manufacturers remain in British hands.

Fortunately, the foreigners are seizing their chance and car production has been booming. Indeed, it could hit a record 2m units by 1998. This growth is an important factor behind the turn-round of the balance of payments. But the car industry exists almost entirely apart from the London stock market.

Running factories is boring, and investing in them is a pain; but wheeling and dealing can be fun. The rules of the take-over game have changed, however, since the boom days of the 1980s. The old conglomerates are finding life hard, and the biggest bids these days are being made within a single industry. Glaxo's offer for Wellcome is a case in point.

Big investors have realised that conglomerates such as Hanson and BTR were taking over the fund managers' own role in building diversified portfolios. Most funds are run on the basis of sectors, so that managers like to be able to switch from banks, say, to chemicals at different stages of the economic cycle. For many, this sector trading is their main activity. Diversified companies do not fit into this framework at all, which explains why it is the vogue for companies to become "focused".

> This looks like the British corporate sector going back to its bad old habits

The Glaxo/Wellcome deal does not threaten fund managers' sector analysis, although it *does* promise to reduce their degree of choice in stocks. Deals that create market concentration in this way do, of course, threaten to restrict competition generally, which is why more such bids can be expected to be brought out in a rush to exploit a possibly temporary "window": the present Tory government is very relaxed about monopoly implications, but a future Labour administration might be much less tolerant.

Both Glaxo and Sainsbury are brilliant growth stocks now running out of momentum. As their scope for internal investment fades – in research and development, or new store building, respectively – they have begun to generate flows of cash which have been absorbed only partially in sharp dividend rises; hence the decision to turn to acquisitions for future growth. But this involves paying a big acquisition premium or (in Sainsbury's case) expanding into a riskier business area.

In the past, the stock market has only rarely taken a rational attitude to take-over bids. It has accepted, too readily, that the whole is worth more than the sum of the parts. We have seen this again with Glaxo's bid, so that Glaxo and Wellcome were worth a combined £25.7bn on the previous Friday but £27.7bn on Monday, including the enhanced value of share options in Wellcome.

How could the extra £2bn be justified? There was talk from Glaxo of saving costs, but we should also take into account the loss of a separate stream of innovation and enterprise in the British drugs industry.

While some companies are being spliced together, others are breaking apart. A US group, Tenneco, is in the process of disposing of its British subsidiary, Albright & Wilson, on to the London stock market. Another US company, American Brands, is putting the British companies Prestige and Forbuoys up for sale. Large, rambling American groups like these are especially conscious of the possibility of adding value for their shareholders by breaking themselves up. Confusing, isn't it, when British companies like Glaxo and Cadbury Schweppes are trying to get bigger?

I dare say it is too cynical to point out that corporate finance intermediaries can make money either out of mergers or break-ups, but not out of companies that simply aim to grow internally; but I shall point it out, anyway. Bigger companies also bring fatter pay packets for top executives. Lord Sheppard of Grand Metropolitan, who presided over a £1.7bn US foods take-over earlier this month, was paid £1.34m in the latest financial year, we learned this week. But Grand Met's share price has slipped to four-year lows.

Meanwhile, City advisers and bankers involved with the Glaxo bid are looking forward to sharing in fees worth over £100m. It's just like old times.

Offshore managed funds are listed in this section, **UK managed funds** in Section One